FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Too few police, says Mark

Shortage of manpower is the chief problem of the Metropolitan Police, states Sir Robert Mark, Commissioner, in his annual report for 1974.

Sir Robert emphasises that, but for the absorption of 326 officers from the British Airports' Police when Heathrow was taken over, the force would have ended the year with 310 men fewer than in 1973.

However, he anticipates some improvement this year following a pay rise, the London allowance and what he calls the *calculated* risk of reducing the working week.

The Commissioner is disturbed by the level of crime among juvenile offenders and blames the reduced social stigma attached to crime, the raising of the school leaving age, increased truancy, unattended houses and cars and fewer police on the streets.

Black sheep

He reports that 106 police officers left the force during the year because they were dismissed, were required to resign or resigned voluntarily in anticipation of criminal proceedings or to forestall disciplinary action.

Sir Robert discloses that some foreign embassies have special buttons to alert armed mobile patrols of Scotland Yard's recently formed diplomatic protection group. Too little punishment, says Lord Justice Lawton. Page 8

British Airways resumes services

British Airways is to restore most of its European and domestic flights out of London's Heathrow airport to-day. Full resumption is expected tomorrow. Passenger s on British Airways' London-Glasgow shuttle can pay aboard from June 14. Back Page

Stonehouse still hopes to return

After learning that his wife had been informed in London that a Parliamentary debate—set for June 12—on a motion to expel him from the Commons could not be delayed, Mr. John Stonehouse, Labour, Walsall North, said he did not believe the "last word" had been pronounced by the House Select Committee on his bid to return from Australia.

60 pickets held in Madrid

Spanish police arrested more than 100 people in Madrid yesterday as thousands of police attempted to forestall any response to calls for a general strike by illegal political groups. At least 60 workers' pickets were detained. Page 5

Saigon ready to name Cabinet

The Saigon authorities are expected to announce a Cabinet for South Vietnam's Provisional Revolutionary Government before the week-end. Radio Hanoi said yesterday that North Vietnam would establish normal relations with the U.S. provided *Washington respected the fundamental* national rights and territorial integrity of Vietnam. Page 6

Grundy's Derby

The English-trained, Italian-owned, Irish-ridden and FT-tipped Grundy (5-1) won yesterday's £106,465 Derby first prize for Milan industrialist Dr. Carlo Vittadini. Report and to-day's racing. Page 2

Briefly . . .

President Gomes of Portugal yesterday began a four-day visit to France. Page 5

Siegfried Sassoon's library fetched £107,919 at Christie's yesterday. Saleroom, Page 2

Heathrow airport's Terminal Two is to get an £8m. facelift. Page 8

BUSINESS

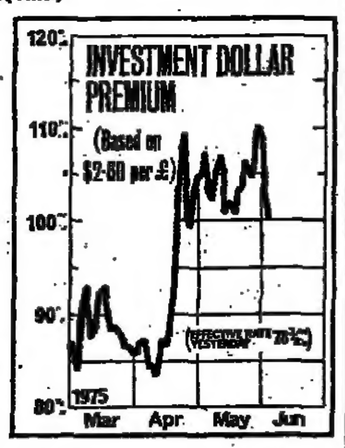
Equities rise 8.4 to new 1975 peak

● EQUITIES were stronger on hopes of a clear referendum majority for staying in the EEC. The FT 30-share index, up 9.8 at 1 p.m., ended 8.4 higher at a fresh 1975 peak of 359.0. The *FT-Actuaries All Share index* improved 1.6 per cent. at 152.84. Activity remained fairly low, while a setback in Properties, down 1.0 per cent. at 198.58, contrasted with the general improvement.

● GILTS marked time, with shorts slightly firmer.

● GOLD fell 75c to \$164¼.

● STERLING lost 20 points to \$2.3185. Its weighted depreciation stayed at 24.7 per cent. Dollar's fall narrowed to 7.05 (7.13).



● INVESTMENT DOLLAR premium continued to fall, ending 2½ points lower at 100 per cent. (effective rate 78½ per cent.).

● WALL STREET dropped 6.18 to 839.96 on profit-taking.

● *NUR* general secretary Mr. Sidney Weighell had separate talks with Mr. Len Murray, the TUC general secretary and Mr. Bert Farrimond, the British Rail Board member for industrial relations, in moves to avert the rail strike called from June 23. Back Page

● ZINC MARKET in London staged a dramatic recovery, with cash zinc up £42.5 at £337.5 a tonne. Page 33

● THE POST OFFICE is to spend £250m. over the next five years on increasing Britain's international telephone circuits from 7,600 to 20,000. Page 8

● BUILDING SOCIETIES' net receipts in May were around £300m. which, though below April's exceptional total of £406m., still ranks as the second-best monthly figure ever achieved. Page 7

Phoenix £20m. rights issue

● PHOENIX ASSURANCE plans to raise about £20m. by a one-for-four rights issue at 180p a share. First-quarter group profits, including Century Insurance for the first time, dropped to £3.86m. (£3.58m.). Back, Page 29 and Lex

● CITY TAKEOVER Panel is taking no action on the application by Midland-Yorkshire Holdings for an investigation into *dealings in its shares last Friday* in the closing hours of Croda International's £8.1m. bid for the company. Page 31

● *PENSION FUND* managers, concerned that other companies may follow Coats Patons in not paying a final dividend to conserve cash, are considering whether to mount a campaign to persuade the textile group to reverse its decision. Back Page

● P & O pre-tax profits in the six months to March 31 were almost halved at £13.63m. (£26.28m.). Page 30 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES

Allied Retailers	74	+ 6
Bank of Scotland	285	+ 10
Boots	266	+ 5
Bowater	177	+ 7
British Home Stores	367	+ 7
Bunzl Pulp	96	+ 5
De La Rue	189	+ 6
Edinburgh Ind.	13	+ 4
Fisons	409	+ 10
Glaxo	439	+ 14
Hawker Siddeley	298	+ 8
Hewden-Stuart	60	+ 5
Hickson & Welch	250	+ 13
ICI	296	+ 9
Johnson Matthey	345	+ 15
Jones Stroud	49	+ 8
Lloyds Bank	253	+ 8
McCorquodale	185	+ 13
Marks & Spencer	249	+ 7
Pearson (S.)	120	+ 6
Reardon Smith 'A'	228	+ 10
Tube Invs.	306	+ 6
Vickers	145	+ 6
Yorks. Chems.	94	+ 6
BP	530	+ 8
Ultramar	216	+ 8
Charter Cons.	193	+ 15
De Beers Dfd.	298	+ 12
Hartebeest	£28½	+ ¾
Tanganyika Cons.	225	+ 11

FALLS

Brocks Group	53	− 10
Cutler Guard	17	− 4
Land Secs.	181	− 5
Marryatt Group	15	− 5
MEPC	128	− 17
P. & O. Dfd.	106	− 9
Southern Malayan	174	− 6
Thiess Holdings	234	− 14
West Rand Cons.	380	− 30

(FT stock indices and FT-Actuaries summary Page 41.)

Wilson calls for resounding Yes ● Antis want 'Independence Day for Britain'

Jenkins urges high poll turnout

BY JOHN BOURNE, LOBBY EDITOR

WITH 40.5m. people entitled to vote on the Common Market *issue* to-day—the first referendum in Britain's history—both pros and antis said yesterday that they were confident of the result. But the pros said so with more cheerfulness and conviction than their opponents.

The pro-Marketeers' main anxiety is that if there is apathy and a resultant low turnout, followed by a close result, Sir *Philip Allen, the chief counting* officer, might have to order a national recount of the votes in the 68 counting areas of the country.

Sir Philip has already said he would consider this if the margin between the Yes and No votes is of the order of only 150,000.

The pros therefore concentrated yesterday on making rallying calls for a high turnout and a decisive vote. Mr. Roy Jenkins, the Home Secretary and Labour's leading pro-European, said: "What the No men hope for is a low turnout and a relatively narrow majority, on the basis of which they can continue the struggle."

He predicted that if this happened, uncertainty and confusion about Britain's future would be prolonged and we should be prevented from playing an effective, constructive role within the EEC.

"If by chance the vote were to go wrong, Britain would get up next Monday morning in a state of economic confusion and danger," he said.

Investment and export plans would be disrupted, the outlook for employment and inflation would be further worsened, "and we would have to face a large and rapid cut in our standard of living, for we could not then expect others to go on financing our overseas deficit."

TO-DAY'S POLLS

	Yes	No	Undec.
HARRIS (D. Exp.)	71 (64)	22 (24)	17 (12)
GALLUP (D. Tel.)	68 (59)	32 (31)	—*(10)

* Undecided excluded

Previous results inb rackets: Harris, May 19: Gallup, June 2.

Mr. Edward Heath, the former Tory leader, said that if by mischance there were a No vote, the country would feel within a few days the significance of a whole new dimension being added to its present danger.

"It is vital for our good name that we should bring to a decisive end the European debate, which has now lasted for more than 20 years in this country."

The Prime Minister, who intends to make major changes in his Cabinet whatever the result, said at his final campaign meeting in Cardiff last night that the British people must make an historic choice.

He called for a resounding Yes vote as the best for Britain, Europe, the Commonwealth and the wider world.

On the same platform, Mr. *James Callaghan, the Foreign* Secretary, said the antis had "blown themselves up with their own explosives." They had been unable to produce any significant examples of a large number of countries *willing* in the future to supply Britain with cheap food.

They had not found a single country with which Britain was prevented from trading, nor a single significant policy which the Labour Government had been prevented from carrying out because of EEC membership.

"To-morrow's answer must be an emphatic Yes," he added. "To *leave the Community would put* British jobs in danger."

For the antis, Mr. Neil Marten, MP, a Conservative leader of the National Referendum Campaign, said there had been a substantial swing of opinion in their favour in the past few days.

Later six of the senior Ministers who dissented from the Government's recommendation to stay in Europe issued a final message urging voters "to make to-day 'Britain's Independence Day.'"

This eve-of-poll statement was signed by Mr. Anthony Wedgwood Benn, the Industry Secretary, Mr. Michael Foot, Employment Secretary — who earlier had said he would accept the verdict of the referendum—Mrs. Barbara Castle, Social Services Secretary, Mr. Peter Shore, Trade Secretary and Mr. John Silkin, Minister of Planning and Local Government.

The final signatory was Mrs. Judith Hart, who as Minister of Overseas Development is not in the Cabinet.

But two antis in the Cabinet, Mr. Eric Varley, Energy Secretary, and Mr. William Ross, Scottish Secretary, neither of

Continued on Back Page

Wearing a flags of Europe sweater, Mrs. Margaret Thatcher, Opposition leader, holds a flaming torch at the start of an all-night vigil by the statue of Sir Winston Churchill in Parliament Square.

Editorial Comment and referendum round-up Page 18. ●Referendum news, Pages 10 and 11

Chrysler strike ends, but Ford's problems increase

BY ROY ROGERS, LABOUR CORRESPONDENT

CHRYSLER U.K.'S car production should begin returning to normal from to-night following the settlement yesterday of a three-week pay strike by 4,000 workers at the company's key Stoke, Coventry, engine plant.

But for Ford Motor, another U.S.-controlled multi-national, problems built up yesterday when the Transport and General Workers' Union became the second major union to give official support to a six-week-old manning dispute which has *halved Ford's vehicle production* and made 5,000 idle.

It took a mass meeting of the Chrysler strikers just five minutes to accept their shop stewards' recommendation to end their strike which has cost some £15m. in lost production and caused 7,500 production workers to be laid off at the Avenger plant at nearby Ryton and at Linwood in Scotland.

As a result of the almost unanimous decision to return to work the Ryton men have been recalled from to-night and those at Linwood from Monday.

Despite this resumption of work the pay issue has not been resolved. The company's wide-ranging proposals for worker participation, launched prematurely *in an abortive attempt* to head off the strike, were rejected by yesterday's mass meeting along with the one-off £100 pay offer that accompanied them.

The company's £8-a-week "final" offer was accepted by the strikers as an initial offer and *shop stewards made it clear they* would seek, through negotiations, to push it nearer their original £15-a-week demand.

Stoke shop stewards object to *certain conditions attached to the* employee participation proposals —acceptance in principle by July 13 and successful introduction by the end of the year—and also fear that national negotiations on the proposals will be used to pave the way for national pay negotiations covering all 26,500 Chrysler workers.

All Chrysler's manual workers have been made a similar £8 offer, although those at Linwood and Dunstable have been offered additional rises of up to £2.50 as part of the company's commit*ment to bringing all rates up to* Coventry levels by next year.

Linwood stewards have already rejected the offer and there is no doubt that stewards throughout all the company's factories will insist on an improvement before agreeing to give up their plant bargaining function.

Meanwhile the TGWU plans to make a fresh approach to Ford Motor *management in a bid to* resolve the strike by 80 doorhangers and fenderfitters which has halted all vehicle production at the company's Dagenham complex.

This emerged yesterday after the union's executive followed the lead of the Amalgamated Union of Engineering Workers in giving the strikers official support.

Speaking after his executive's decision yesterday Mr. Jack Jones, TGWU general secretary, said he would ask Employment Secretary Mr. Michael Foot, to intervene if the union's new approach failed.

"*We shall do everything* we can to get the company to change its mind and allow the dispute to go to arbitration or an independent inquiry," he said, adding that the company's attitude in refusing to accept either of these suggestions was "unreasonable."

Because of the dispute, Ford has been unable to produce any Cortina, Consul or Granada models since the end of April with the result that so far production of more than 13,000 vehicles worth over £26m. in retail terms has been lost and 5,000 *other Dagenham workers made* idle.

Other areas of the Dagenham complex, which employs 24,000 in all, are working near normally, *however, producing components* for Ford's other plants at Halewood, Southampton and Langley, where production of Escorts, Capris, and commercial vehicles continues unhindered.

There is little doubt that the industry's present market problems are a factor behind Ford's apparent reluctance to conclude an early settlement unless it is entirely on management's terms.

At the centre of the dispute are management proposals to reduce the *number* of doorhangers and fender fitters from 26 to 18 for each shift.

Ford shop stewards see the management's hard line as further evidence of its determination to use the recession to carry out efficiency moves which the company warned of when its £67m. two-year pay deal was agreed last autumn.

That policy has already resulted in a two-day sit-in by workers at Ford's Swansea axle plant and abortive attempts by Dagenham stewards for a similar protest over the doorhangers' dispute.

Suez reopening will boost Egypt's pride

BY MICHAEL TINGAY CAIRO, June 4.

WITH DUE ceremony, the Suez Canal will be reopened tomorrow—eight years after its closure during the war of June, 1967.

The occasion is of undeniable psychological as well as economic and political importance both for Egypt and President Sadat. The Canal represents part of the Egyptian pride bought back at high military cost with the October, 1973, storming of the Bar Lev Line.

Economically, the reopening *fits another piece into the jigsaw* of Egyptian post-war reconstruction. Next year, observers here believe, estimates of \$420m. Canal revenue could prove correct, but there seems little doubt that the waterway will need six months before the most cautious shipowners are tempted through and even then it will not be certain whether the tolls, pitched to attract the smaller oil tanker tonnages, will succeed in so doing.

What is certain is that the opening of the Port Said free zone, and the eventual creation of jobs capable of supporting 1m. people will be an immense boost to Egypt's troubled economy.

Politically, whatever the successes of President Sadat's recent tour to mend Arab fences before the Salzburg summit, there are controversial prospects. The clouds of discord are gathering on the Arab horizons over the *question of passage for Israeli* cargoes.

Richard Johns writes: These are two unresolved issues which could create friction and discord. *First, it is not known if* Egypt will insist on the right of inspection of cargoes and, secondly, there is Cairo's qualification that goods going to and *from Israel* should be "non-strategic."

The Israelis insist that the Egyptian commitment gave carte blanche freedom of movement *for Israeli cargoes.* Quite apart from that, the term "non-strategic" could be interpreted in an open-ended way to include such vital commodities as oil.

Lifeline restored, Page 6

MEPC omits interim for first time after first-half £4.2m. loss

BY JOHN TRAFFORD, PROPERTY EDITOR

MEPC, one of the country's largest property companies, is not paying an interim dividend for the first time in its history following poor half-year results.

The company yesterday reported a loss of £4.2m., after tax and extraordinary items.

Sir Henry Johnson, the chairman, described the results as "extremely disappointing" — a view shared by the Stock Exchange, where the share price, which hardened 9p to 154p ahead of the results, fell to 128p for a net loss of 17p on the day.

The chairman gave four reasons for the poor showing. First there had been losses in Belgium and Australia. Non-recurring losses of £964,000 on the Manhattan Center, Brussels, had resulted from the bankruptcy of Mr. Leon Levy, the guarantor of rents on the centre's unlet portion.

Provisions for losses had also been *made* in the *accounts* because of the problems of Middle Harbour Investments, an Australian associate company active in residential development. A provisional liquidator had been appointed to manage the company's affairs, and efforts were being made to fund, sell or lease the main Sydney office development, the Exchange Centre, which is still over two years from completion.

Second, a book loss of £530,000 had been made against the value of a major U.K. housebuilding site.

Rents freeze

Third, the Government-imposed freeze on business rents had applied to U.K. properties throughout almost the whole of the period covered by the interim report. Costs had risen but income on existing properties had not.

Now that the freeze had ended, the company hoped to see an increase of some £3m. in rental income in a full year.

Finally, the company had discontinued the capitalisation of interest charges on U.K. development sites where there was no immediate prospect of development being started. This switch in policy had added over £3m. to reported costs in the half year.

The change had been made because, in the present climate of high building costs, high taxation, penal rating on vacant property and relatively low market rents, there was little prospect of many sites being developed.

In cases where development was *under way, however*, the company would continue to capitalise its interest charges.

Property deals reflect further investment upturn Page 8

Details, Page 30

For latest Share Index 'phone 01-246 8026

LOMBARD

Our honour—the giant red herring

BY C. GORDON TETHER

THE NATION is going to the polls to-day to make a decision of monumental importance for its future—one that could shape the destinies of its people for a 1,000 years.

It is of the utmost importance, therefore, that no one should allow their choice to be influenced by that giant-size red-herring the pro-Marketeers have started dragging across the trail once again during the past few days. Which is that, however impressed one may be by the arguments for leaving the Community, one ought to vote to stay in because a Britain that "tore up" the Treaty of Accession would be perpetrating the unpardonable sin of "going back on its solemn word."

"If we tear up this Treaty, do we expect the Community to come along and say: Well, we have a fairly wide selection of other treaties for you to choose from," said Mr. Heath on Tuesday. The same message, with its clear insinuation that Britain would be behaving very dishonourably in giving constitutional effect to a "no" outcome to the referendum, has been featured in almost every other Heath pronouncement on the EEC battle during the run-up to to-day's polling.

And it has been duly taken up by all sections of the pro-Market chorus, in the obvious hope that it would deflect attention from the weakness of their case in relation to the real issues involved.

Extravagance

It is, of course, an emotive extravagance to talk of the Treaty of Accession being "torn up" as a sequel to a decision by the British public to pull out. As a number of distinguished lawyers have pointed out, the only sensible attitude the rest of the EEC could adopt towards such a development would be to collaborate with the British authorities in giving effect to it. And that means that it would have to stand ready to negotiate a new agreement to "legalise" Britain's withdrawal without breaking any more bones than was absolutely necessary.

So there is no possibility of any "tearing up of solemn obligations" in the strictly practical sense. That is not the way these things are arranged in the "real world" the pro-Marketeers insist on talking about when they want to make a point which they think will make a greater impact in that setting. And, even in the spiritual sense, a decision to go back on the Treaty taking the U.K. into the EEC could not be held, by any stretch of the imagination, to reflect the slightest discredit on the British people.

Let us be quite clear about this. The nation was taken into Europe without ever being meaningfully consulted—how could it have been when at every General Election in which the EEC question was featured in any form, all the three main parties showed themselves in favour of membership. Since the people unquestionably had a right to be given their say on a matter of such overwhelming importance to their future, the legal processes that took them in were wholly without moral validity from the start.

It is adding insult to injury for Mr. Heath and the pro-Marketeers in his own and other parties who aided and abetted this flagrant affront to democracy to argue that the electorate is now under an obligation to uphold the international consequences of their outrageous behaviour as a matter of honour. What was fundamentally immoral cannot be rendered virtuous by the passage of time.

Their worry

The nation at large is, therefore, under no obligation to the British Establishment to stand by the Treaty of Accession to the Community. And it is worth noting—since the matter has been touched upon in some of our recent reports on Continental attitudes to our referendum—that the same applies so far as the other EEC countries are concerned. For anti-Marketeers went to great trouble when the Heath Government was completing plans to take Britain into Europe to draw their attention to the serious constitutional issues this raised.

It is important to realise that, although the pro-Market element in the Government is trying to portray the referendum as being concerned with a vote on the renegotiated terms, its real purpose is to give the public what it was wrongly denied before we went in—an opportunity to say whether it approves or not of the idea of Britain becoming a province of a European super-State. The right approach of the voter, therefore, is to see himself as back to Square One—meaning that, if he thinks it was wrong for Britain to be taken into the Community in the first place, he should vote for withdrawal now.

The responsibility for any difficulties that might be generated in relation to our international commitments and otherwise by withdrawal rests squarely on the shoulders of those who organised Britain's unconstitutional involvement in the EEC in the first place. These problems are in no sense the voters' worry.

RACING

Richest Derby rewards winners

BY MICHAEL THOMPSON-NOEL

MONEY TALKED at Epsom yesterday, where the first three finishers in the richest-ever Derby struck a profitable chord for three of the biggest investors in international racing—Dr. Carlo Vittadini (Grundy); Mr. Nelson Bunker Hunt (Nobiliary); and Mr. Ravi Tikkoo (Hunza Dancer).

For good measure, Anne's Pretender filled fourth place for Sir Charles Clore, who beamed contentedly.

Grundy's streak-away win defied many of the pundits—but not the FT's Dominic Wigan—and netted £106,465.50, taking the colt's first-place earnings to £166,147 and his price tag to around £1.5m.

Dr. Vittadini, a 59-year-old Milan pharmaceuticals industrialist, owns 50 racehorses. Last month he won the Italian Derby with Orange Bay. With Patch running in the French Derby at Chantilly on Sunday, and Grundy—again—in the Irish Derby at the Curragh on June 28, he stands a chance of pulling off the rich man's dream—four European Derbys in a single summer.

Grundy cost a knock-down 11,000 guineas as a yearling two years ago and started at 5-1.

Nobiliary, the first filly to contest the Derby since 1944, won a £31,430 second prize for Mr. Hunt.

His bloodstock holdings, spread between California, Kentucky, Europe and the Antipodes, are generally valued at around £15m.

Mr. Tikkoo, who landed £15,465, owns nearly 90 racers, and said yesterday they were worth £3m.—"a £1m. capital improvement on what they cost me, to say nothing of prize money and intense personal enjoyment."

Total betting on the race was estimated at around £16m. Although Grundy was the second favourite, the bookmakers expect to break about even as the hot favourite, Green Dancer, finished only sixth.

For once, the Epsom crowd was noticeably thin at around 300,000. Police security on the racecourse and on the Downs was said to have been the stiffest ever. But there was not a breath of trouble.

Get ready for Get Ready

BY DOMINIC WIGAN

THE ITALIAN-OWNED, English-trained and Irish-ridden Grundy proved himself a worthy winner of the 196th Derby when slamming his 17 rivals in yesterday's richest-ever running of the race.

Dr. Carlo Vittadini's Great Nephew colt, who was so astutely purchased by the Milan industrialist's English racing manager, Mr. Keith Freeman, as a yearling, was always well placed to land the £106,465 first prize.

Racing easily alongside Fidion in the early stages, some three lengths behind the leading group made up of Anne's Pretender, Carolus, Red Regent and Hobnob, Grundy was brought with an immaculately-timed run by Pat Eddery a quarter of a mile from home to challenge Anne's Pretender, and from that point onwards it was simply a question of by how far he would win.

At the line Grundy, a 5-1 chance, had three lengths to spare over fast-finishing Nobiliary, with another late arrival on the scene, Hunza Dancer getting the better of Anne's Pretender for third prize.

The 6-4 favourite, Green Dancer, from France, was never going well at any stage, and it is hard to imagine what caused his dismal showing. He made a little progress in the final quarter of a mile to eventually finish sixth.

Turning to to-day's World Wildlife programme at Epsom, the most valuable race is the John Moores Wildlife Handicap (3.10), for which £5,000 in prize money is added. The two that interest me most are *Reformed Character*, sent down from Denys Smith's Bishop Auckland establishment, and Gavin Pritchard-Gordon's course winner, *King's Equity*.

Reformed Character, the mount of Sandy Barclay who has been associated with several of Smith's Northern runners in recent weeks, ran deplorably on his reappearance this season when tailed off in Newmarket's Babraham Handicap. However, he left that form well behind on his most recent outing when he took second place in the highly competitive Vaux Gold Tankard at Redcar, and he is clearly returning to form.

King's Equity, one of the five course and distance winners in this field, has run reasonably on each of his three appearances in the present campaign, following up good, though unplaced, efforts at Newmarket's Craven and Guineas meetings, by taking third place behind Huzzar in the David Dixon Gold Cup at York on May 13, where he comfortably got the better of the fourth placed Dakota.

With 8st 12 lb, King's Equity has a 2 lb advantage over Reformed Character, and this may just enable him to deal with his rival.

Although she has four previous winners to beat, I do not visualise Mr. David Robinson's once-raced *Get Ready* failing to maintain her unbeaten record in the Acorn Stakes (3.40) sponsored by the Atlantic Assurance Company.

On her debut, Bruce Raymond's mount had a great deal in hand when defeating Corriefoel and 13 others at Newmarket a month ago in almost a second faster time than the season's leading two-year-old, Royal Boy.

EPSOM
2.00—Twenty-Two Carat
2.35—Flying Cheetah*
3.10—King's Equity**
3.40—Get Ready***
4.15—Barrettstown
4.45—Royfern

CARLISLE
6.45—Fast Music
7.10—Buckfastleigh
7.40—Uncle John
8.05—Likely Boy

SALEROOM BY DOINA THOMAS

SIEGFRIED SASSOON'S library fetched £107,919 at Christie's yesterday. The bulk of the library, which included a large number of Sassoon's own original manuscripts and printed books as well as books, manuscripts and autograph letters from other important writers, went to the specialist New York dealer, El Dieff.

Letters from E. Blunden to Sassoon made the top price of the sale at £4,800. They were purchased by El Dieff, who also gave £4,200 for letters from T. E. Lawrence to Sassoon, most of which are unpublished.

The London dealer, Quaritch, paid £3,800 for the autograph manuscripts of some Robert Graves poems, including six copies of Portrait of a Painter, four of them considerably corrected.

In spite of El Dieff's heavy buying, the Imperial War Museum managed to acquire three items for moderate prices. It paid £850 for letters from Sassoon to Robbie Ross, £500 for First World War correspondence to Sassoon and others, and £55 for some further letters and postcards—one incomplete letter contained two war poems, Dawn in Flanders and St. Floris.

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

CONCERTS

CINEMAS

[illegible]

CINEMAS ARE CONTINUED ON PAGE 4

TV Radio

† Indicates programme in black and white.

BBC 1

9.41 a.m. For Schools, Colleges. 1.00 p.m. The 60 70 80 Show. 1.30 Chigley. 1.45 News. †3.58 Regional News (except London). 4.00 Play School. 4.25 Pixie and Dixie. 4.35 Jackanory. 4.50 Blue Peter. 5.15 The Small World of Samuel Tweet. 5.40 Roobarb.

5.45 News.
†6.00 Nationwide.
6.45 To-morrow's World.
7.10 Top Of The Pops.
7.40 Dad's Army.
8.10 The Undersea World of Jacques Cousteau.
9.00 News.
9.25 By Common Consent.
10.55 Referendum Day.
†11.28 Regional News.

All regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. Nant-y-Pant. 2.35-2.55 Gwlad a Thref. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 7.40-8.10 Blodeugerdd. †11.28 News.

Scotland—6.00-6.45 p.m. Reporting Scotland. †11.28 Scottish News Summary.

Northern Ireland—3.58-4.00 p.m. Northern Ireland News. 6.00-6.45 Scene Around Six. †11.28 Northern Ireland News Headlines.

England—6.00-6.45 p.m. †Look North (from Leeds, Manchester, Newcastle); †Midlands To-day (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
†5.25 p.m. Open University.
6.40 Model World.
†7.05 Open University.
7.30 Newsday.
7.55 Sir Mortimer and Magnus.
8.10 Look for Clancy, part 2.
9.00 All In The Family.
9.25 Man Alive.
10.15 Gardeners' World.
10.40 News Extra.
11.00 Centre Play.
11.29 Closedown: Jill Balcon reads "I Thought Once How Theocritus Had Sung," by Elizabeth Browning.

LONDON

9.30 a.m. Schools Programmes. 10.35 The 21st Century. 11.00 Schools Programmes. 12.00 Rainbow. 12.15 p.m. Paperplay. 12.30 Looks Familiar. 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Keep Britain Slim. 2.00 Good Afternoon. 2.25 Mid-Week Racing: The Epsom Summer Meeting. †4.25 Comedy Classics: Will Hay in "My Learned Friend."

5.50 News From ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Born Free.
8.00 This Week.
8.30 "Lost Flight," starring Lloyd Bridges.
10.00 News at Ten.
11.00 A Place In Europe.
11.30 What The Papers Say.
11.45 Night Gallery.
12.05 a.m. Abbott of Westminster.

All ITV regions as London except at the following times:

ANGLIA

[illegible]

ATV MIDLANDS

[illegible]

BORDER

[illegible]

CHANNEL

[illegible]

GRAMPIAN

[illegible]

GRANADA

[illegible]

HTV

[illegible]

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25 Miri Mawr. [illegible]

SCOTTISH

[illegible]

SOUTHERN

[illegible]

TYNE TEES

[illegible]

ULSTER

[illegible]

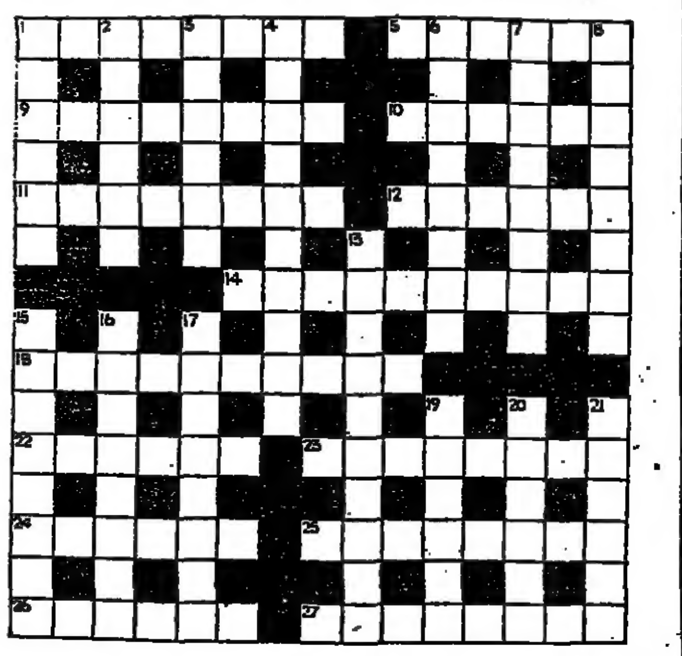
WESTWARD

[illegible]

YORKSHIRE

[illegible]

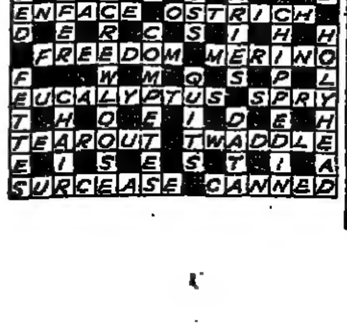
F.T. CROSSWORD PUZZLE No. 2,795



ACROSS
1 The fruit of invasion (8)
5 Sixpence for a spree (6)
9 Re-echoes what is unimpaired among the Sappers (8)
10 Provisions rushed aboard (6)
11 Smooth season at close of day (8)
12 A staple form of chalk (6)
14 British Rail causes royal annoyance (5, 5)
18 One who chews gum returns the rota (10)
22 Distributes nearly all portions (6)
23 Discarded in a punch-up (8)
24 Priest makes the idiot return to the Queen (6)
25 Do we ask a penny for these know-alls? (4, 4)
26 For a change sent to a Devon town (6)
27 Back to the status quo, so to speak (2, 2, 4)

DOWN
1 A bird shows cunning among people (6)
2 "I — in numbers for the numbers came" (Pope) (6)
3 There is union behind the scenes (6)
4 High up Soviet officer takes to flight (3, 7)
6 In the beginning you must have charm (8)
7 Proportion seen in dingy continuance (8)
8 Uneasy remainder to a lower degree (8)
13 A snack to encourage the carpenter (3, 2, 5)
15 "What of the — Will and its designs" (Hardy) (8)
16 David, a bob in hand, is going to tea (8)
17 Repugnance is stated differently (8)
19 Hollow thanks rise in warning possibly to a purchaser (6)
20 Dapper conifer (6)
21 Invitation sung to the faithful (6)

SOLUTION TO PUZZLE No. 2,794



RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including this week's new top 30 LP discs and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. 5.00 Newsbeat. 5.15 John Peel with Top Gear. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S), including 6.15 Pause for Thought. [illegible]

RADIO 3 464m, Stereo & VHF

[illegible]

RADIO 4 434m, 330m, 285m and VHF

[illegible]

BBC Radio London 206m and 94.9 VHF

[illegible]

London Broadcasting 261m and 97.3 VHF

[illegible]

Capital Radio 194m and 95.8 VHF

[illegible]

Round House

The Taming of the Shrew

by GARRY O'CONNOR

The New Shakespeare Company is alas, confined to barracks up the road from its usual home in Regent's Park, where a new auditorium is being built for it to open in later this summer. I am not sure that its swashbuckling delivery punctured with rousing end of scene music shows to advantage when subjected to a scrutiny free from the usual distractions of passing jets or black birds in the shrubbery. The Round House is not without its own special distractions, it must be said: not only the by now accepted shunting of trains, but there was also what seemed to be an army of Japanese transistors playing symphonies and a fairly lengthy news commentary emanating somewhere from the cavernous depths.

Shaw wrote an admonition to all men and women who respect one another to boycott this play until it was driven off the boards, but surely it is really a boisterous comedy, in which the hubris of Kate's venom is punished until the balance between man and woman is restored. No sociological interpretation is detectable in Mervyn Willis' production, *unless we are to deduce from* the Mad Hatter appearance of most of the Paduan males that he wanted to underline a similarity to *Alice in Wonderland.* More attention could be paid to the information in the text, for example when Petruchio appears at his wedding he seems to be dressed little different from everyone else, while at an earlier moment he incongruously wears spurs. He and Hortensio chat over cigars and coffee in Bob Ringwood's *terrazzo* setting.

I wish I could report that Zoë Wanamaker makes a strong im*pression as* Kate. In the early part she is either nervously clutching at her face with her hands or spitting out her words *in a completely monotonous tone.* She hardly manages to raise a single laugh during the whole evening, and it may be a measure of her lack of relaxation that when Hortensio on Petruchio's instruction eats up her meat, she so muffs up the reaction that there isn't a murmur. Jeremy Irons fares much better throwing his weight around as Petruchio, and in a production which is not remark*able for its subtlety,* and not indeed created to that end, it is a pleasure to come across Richard Goolden projecting into the disguised pedant a mellowness which is otherwise absent. But then the open air may complete the experience. We'll have to see.

Guildhall School of Music

Ariadne auf Naxos

by RONALD CRICHTON

The Ariadne of *Strauss* and Hofmannsthal, precious and elaborate theatrical confection, is not an obvious choice for students even in a music and drama school as enterprising as the Guildhall. The prologue, which needs quick, polished comedy work and a *bustling*, securely timed production, comes out a little wanly in this production. The opera proper, as *one would expect, goes much* better, gaining rather than losing from young voices and a fresh approach innocent of the *extra dollop of whipped cream* which experienced professionals are inclined to add here.

In the prologue the producer, Dennis Maunder, is hampered by a stage too shallow for the comings and goings, cross-purposes and last-minute crises—the result is static and rather muted, with too much jerky movement of forearms. In Tuesday's performance (the first of four on consecutive evenings, with alternating *casts)* Laura Sproit sang the composer. Her pale face, furrowed with anxiety and concentration, was perfect. The voice was pale too in the big, lyrical phrases but she made her points stylishly. Michael Hughes from the drama side was the majordomo, at once benign and sardonic.

For the opera, where a small stage matters less, Gerald Kitch*ing had designed* a tiered, *rocky* set allowing vertical as well as horizontal grouping, though it left Ariadne little room for *manoeuvre inside her cave. What* was glimpsed of the opera costumes in the prologue promised a rather dingy spectacle, but it turned out very well. Tuesday's Ariadne, Gwendoline Ross, has a promising, resilient voice with an unsettled low *register but strong, steady tone* higher up where many professional Ariadnes go unsteady. Clearer words would bring even *keener projection.*

Bacchus, brute of a part even for experienced tenors, was wisely entrusted to a distinguished ex-student, Stuart Kale (Terry Jenkins takes it on Friday night). Mr. Kale was happier in the heroic than the lyrical music—his attack on his first appearance as the god was memorable. There was a good quartet of comedians (David Todd, Anthony Dawson, Ian Fishman, Harry Chambers), at their best when they removed their masks for their final pleading with Zerbinetta. That mercurial *lady's roulades were remarkably* well sung by Jacquelyn Fugelle, a young soprano accurate, flexible, and poised, with the *capacity to suggest seriousness* and sincerity behind the mocking high spirits.

Vilem Tausky conducted, so careful of his singers that he was forced to lose some of the glitter of the prologue. But he was rewarded (with the exception noted above) by unusually clear enunciation of Tom Hammond's English translation, and the experience of playing at such a reduced level will not have been wasted. In the opera, with a melodious trio of nymphs (Jennifer Adams, Josephine Bromage, Alison Horriben) he *gradually* relaxed until he could let the players have their head for the climax of the love duet. Even so, I have never heard *the harmonium so clearly,* sounding at times oddly like the accordion in a Gerhard score.

Book Reviews appear on Page 34

V & A

Ave Maris Stella

by DOMINIC GILL

The Raphael cartoon gallery at the V & A, for a long time *the home of good music,* but never quite the ideal place to hear it, is now one of London's most congenial chamber concert halls. The new composite floor has reduced the always very generous acoustic to manageable proportions; and the seating plan, arranged in semi-circular fashion around the two *imposing* wellheads newly set in the floor, makes for a far more intimate focus than the old serried rows and high, wooden stage. The path to the gallery itself (though now from the Cromwell Road entrance, past Islamic and Indian treasures) is as marvellously distracting as ever.

The new Tuesday-evening series, which runs this year under Maurice Cochrane's direction from April to October, is also more adventurous than it used to be. The London Sinfonietta and the Music Party have already played there; and on Tuesday the programme given by the Fires of London of music by Peter Maxwell Davies included Davies's most recent work, *Ave Maris Stella,* for flute, clarinet, marimba, viola, cello and piano.

I found it a more arresting piece than Gillian Widdicombe did in her review on this page of its premiere in Bath last week. Difficult, certainly—and dense, hard to grasp at a single hearing. Hard to play too: the second performance of so concentrated and virtuoso a score must inevitably be more relaxed and secure than the first. The playing on Tuesday had fine *clarity and energy; contrapuntal* detail and texture, even without a conductor, were in general admirably clear and clean. But the music was more than a cata*logue of pretty effects:* it had a coherence, and sad eloquence—but how dangerous, as the composer himself warned in his spoken introduction, to try to put these things too closely into words!—as well as a kind of wildness, urgency and inner force, which I found most impressive.

The music is built from—or rather, arises initially out of—a sequence of nine pitches *derived from the plainsong* of the title, and is dedicated to the memory of the late Treasurer of the Fires, Hans Juda. An elegiac tone is set from the start, in quiet conversation between cello and flute: but the mood quickly grows wilder, more fragmented; ideas are tossed furiously, delicately, sometimes skittishly, from side to side. After an intriguing, tricky cadenza for solo marimba, there is a long passage of frenetic development, until the slower, elegiac music returns—but now higher and more rarified, climbing upwards over a slow chordal marimba pulse, a gradual spiral towards the thinner air of the plainsong itself, whose first nine notes are finally heard, just once, on solo flute, before a dissolution in fierce trills and dissonances on one last chord; and a sudden *fade a niente.*

A strange piece, full of sharp corners, sudden turns, and haunting resonances—and one which I suspect must repay *close study.* Special mentions are really invidious: notable performances all—but most perhaps by Garry *Kettel on marimba,* and by Stephen Pruslin of his fiendishly taxing piano part.

Leonard Burt

Susan Hampshire as Rosalind in the Dolphin Theatre Company's "As You Like It," which opened at the Shaw last night

Royal Court

Loot

by B. A. YOUNG

"It's a thing that, less skilfully handled, could have given *offence," says Inspector* Truscott to Nurse MacMahon, and he might have been talking about Joe Orton's play that they appear *in.* The outrageous story involves hiding the proceeds of a bank robbery in a dead woman's coffin; the coffin, not to mention the corpse, is constantly on the stage. Nothing that is normally treated with reticence is spared as the material of laughter; and to make matters worse, if there is a moral, it is that the police are corrupt from top to bottom. It could give offence all right; but Orton's writing is so ingenious, his attitude to the forbidden subjects so naive, that there is no offence in the world. They do but jest, poison in jest.

Loot is a funnier play than *Entertaining Mr. Sloane,* but it requires no less serious playing. This production under Albert Finney's direction accepts that the humour lies in the situations and in the exquisitely formal *dialogue; no further exaggera*tion is called for. It is a truism that Orton was the Wilde of our time, but it is a judgment that cannot be avoided.

My impression was that the production could do with a little more rehearsal. The playing is good, but the first act is slow; there are audible cracks between lines where the lines should almost be tripping over one another. There were occasionally tiny lapses of memory too in some parts. Things speeded up after the interval, though. The characters have been firmly moulded without recourse to parody, and Douglas Heap has designed a small suburban sitting-room with an expensive wallpaper that fits the McLeavy family's fortunes, where money seems to be plentiful but social polish in short supply.

Jill Bennett's nurse speaks her monstrous lines with such propriety that one felt she would have little difficulty in collecting another job and marrying an eighth husband as soon as the intervening characters had been disposed of. Truscott, the bent policeman, is played by Philip Stone with as much rectitude as any member of the Dock Green station staff; he adds a cheerful laugh to his worst lies to show that he understands how the world goes on.

Dennis, the undertaker's driver and teenage bank-robber, is done with genuine sensitivity by James Aubrey; his mate Hal, whose mother's body it is that is so mistreated in the concealment of the stolen money, is played by David Troughton without, I thought, total certainty as to what class he belongs to. His father, the unhappy Mr. McLeavy, who is the only person in the play without a stain on his character, and is, therefore, with Ortonian logic, the only one who ends up under arrest, is well drawn by Arthur O'Sullivan.

Arts, Cambridge

Paradise Mislaid

by GARRY O'CONNOR

It was the novelist Saul Bellow who remarked that we were all too much in love with Apocalypse and the glorification of destroying everything. This year the *Cambridge Footlight's review* succeeds in prodding us into laughing at this lamentable habit, by taking us right up to *the last moments of the world,* with a take-off Ken Russell arranging the scenarios or at least trying to audition the right players. Impersonated with bedraggled megalomania by Clive Anderson he struts in the aisles as one after another an assorted bunch of turns offer themselves for audition.

The main idea, to play the whole revue in Hell, can't be a new one, and it is studded with small sketches whose quality varies enormously from moment to moment. The fixed setting, by Tanya McCallin, is a magnificent one, with staircase mounting to a high platform under which musicians play. Tinsel and streamers add a decorative air. *White horned and bewigged* devils suggest a supermarket version of the underworld. One of the funniest sketches suggests how Hell might have to go into liquidation; one of the most shrewd comments has Adam and Eve playing out the Fall again for Lucifer's amusement. Biting the apple, they say, which comes out of a box marked Sainsbury's, *doesn't seem quite so naughty* the second time.

Television shows come in for too much sending up, perhaps. At best they produce lame jokes about deadly sins. The evening lasts nearly three hours, which is far too long for a revue. I was only bored or mildly amused some of the time, for there is plenty of variety in the musical numbers and a high degree of zest and spirit from the Footlights cast. The audience seemed to love the aimless messing about and horseplay, which is encouraging, and it's refreshing to leave the narrow and usual revue formula of bare stage and solo turns for this very lavish and complicated way of linking *it together. All credit to the* director, John Lloyd, for trying out something so ambitious. The cast are versatile, and Geoff McGivern and Griff Rhys Jones are outstanding. Some of the word-play needs rigorous editing. Lavish and spirited peppering with puns cannot quite hide the age of some of the meat.

Festival Hall

Perahia and Muti

by GILLIAN WIDDICOMBE

Murray Perahia gave a gentle, smiling performance of Chopin's E minor concerto as the first half of Tuesday's concert by the New Philharmonia and *Riccardo Muti. Perahia is no* Pollini, flashing steel tipped octaves and ice-cold rubato; nor a humorist like Cherkassky, *whose playing twinkles gaily* at each new ramble in Chopin's concertos. Some fluffs and slightly unfinished fortissimos crept into *Tuesday's performance,* though only fleetingly, like fireflies; but the playing was warm and personal, blossoming in the slow movement into Perahia's richly shaded world where no phrase is too small to be made tender and lyrical.

Muti and the NPO accompanied the Chopin adroitly, and followed it with a peculiar account of Bruckner's Sixth *Symphony. The Sixth is the* darling of the Bruckner canon: short and direct (four full movements, yet less than an hour—incredible?) but no less sonorous, *cumulative and powerful.* Some of Bruckner's very best tunes are packed tight in here—in the plaintive Adagio, and the two *neat Allegros. And this could* well be called Bruckner's most lyrical symphony, and thence specially deserving of flexible *line and heartfelt cantabile.*

But steadiness is crucial too, and it's surely a mistake to presume, as Muti seemed to, that the *Sixth* can ebb and flow with hundreds of tiny different tempos, ponderous ritenutos before all corners, and kilometres of *rubato* in some bars, which the NPO could not always follow. He made such a meal out of each change of view that *symphonic span* was overwhelmed by operatic similies. One moment *rhythms as thumpy* as the triumph scene in *Aida; now a minuet with pointed toes;* then round the post and into movieland and *Ben Hur.* Whoa!

Record Review

Monteverdi vespers

by GILLIAN WIDDICOMBE

MONTEVERDI Vespro della beata vergine, 1610. Gomez, Palmer, Tear, Langridge, Shirley-Quirk etc.; Monteverdi Cho and Orchestra; Jones ***Brass Ensemble, Munrow Recor*****der Ensemble/John Eliot Gardiner. Decca SET 593-4 (£6.50).**

This superb recording of Monteverdi's glorious *Vespers of 1610* wears Sickert's sombre, dappled, dispassionate view of *the interior of St. Mark's Cathe*dral; and though there is a small aptness in the fact that this fine picture hangs in the Tate and *the fine performance gathered* by the Decca office on the other side of the Thames is positively super-British, Sickert and Monte*verdi are terribly wrong for each* other. In short, this two-hour master-work represents the gorgeousness of 16th-century Venice, the pomp, drama and luxury of the golden age of Roman Catholic ritual, and the brilliant expressivity and enjoyment of glitter typical of Italian musicians at the end of the 16th-century. Perhaps St. Mark's itself is the misguider: a totally Byzantine cathedral, which merely served as the *setting for* Renaissance magnificence, lending only its special acoustics to aid the flowering of the new style.

But John Eliot Gardiner's performance is splendidly adorned, vivid and impassioned. His sensible, scholarish edition was devised some ten years ago, for a performance in King's College, Cambridge, and has subsequently matured through airings in cathedrals such as *Ely* and Wells (the latter last week, as part of the Bath Festival), but with particular success as one of the Prom excursions to Westminster Cathedral, where unusually wide nave and dramatic acoustics added a sumptuousness of their own, but wonderfully true to the spirit of 1610. Decca have done their best to capture that kind of luxurious resonance in this recording, so that the antiphonal choirs sound rich though in fact they are comparatively small and clear, and the solo voices *are clothed with the royal gleam* that would be added naturally by a large cathedral. And this is important because it adds enormously to the effectiveness of Monteverdi's choral writing and to the ornate solo trills and echoes.

Moreover, Gardiner despatches his soloists to various parts of the building on several occasions. The trick worked wonders in Westminster, less well in Wells, but becomes rather fussy on record. Personally, I have two gramophones: one professional; one rural. One carries the load splendidly, of course; but the other loses focus beyond the point that seems reasonable, or commercial.

It has recenly become fashionable to clasify the Monteverdi Vespers in the same drawer as the B Minor Mass, and Gardiner himself describes it as the richest and most substantial single work of church music prior to Bach's Passions. But the link with Bach is a dangerous one, heavy with veiled references to the symmetry and conventionality of Lutheran *music-making. These Vespers* are a dazzling hotch-potch, a collection of liturgical items and added motets not relevant *in* text nor even particularly sacred in mood. But this recording provides a fascinating solution to the much debated *question: why did Monteverdi* publish the motets in the middle of the Vesper sequence, and did he conceive this unusual mixture of psalms and motets as a unified collection.

The style changes bewilderingly from one number to the next, but Gardiner's proud and wholehearted aproach gives the full two-hour sequence an extraordinary sense of cohesion. After the ceremonial opening, verside an elaborate psalm, followed by an exotic, jubilant tenor motet, and so on; two of the arias are incredibly sensual, and there's an instrumental sonata combining a treble plainsong for no particular reason; yet Gardiner's performance is so assertive and rich (with springy but not bouncy rhythms expertly combined with smooth lines, open textures, and dramatic expres*sion) that he manages to banish* all formal or puritan questions. The work may be a strange concoction, and obey no authority save its own; but that's that, so *let well alone. (Which some may* feel a suitable attitude to the Church of Rome and those three-hour celebrations circa 1610.) *Gardiner's recording is the only* one in this form.

His instrumental forces are modern, but not without musical *reason. The Philip Jones Brass* Ensemble may play modern instruments, but their tone is so smoothly honed that the style is suitably pure and cornetti-like in timbre. He should, perhaps, use fewer violins, and authentic, unaltered 17th century string *tone, but probably argues* that such effects would be drowned, in the choral items, or that the rhythmic clarity and sensitive phrasing *of a small group* led by Kenneth Sillito is one of the 20th century's discreet blessings.

The choice of singers is interesting. The two sopranos are Jill Gomez and Felicity Palmer, both of them faintly mannered or edgy in phrase turning, but extremely pure in pitch and tone. The tenor motet "Nigra sum" is sung not by Robert Tear but by Philip Langridge, who now steals from Tear the role of leading tenor where accuracy and stylishness are concerned. When Langridge, Tear and Shirley-Quirk sing together in the elaborate motet "Duo Seraphim," Decca's knobs have a fit of fiddling. The result, with ornaments entwining, and all three voices melting, achieves a *wondrous floating impression,* but leaves one suspicious of how and why it was done.

Sadler's Wells Theatre

Tokyo Ballet

If dedication, like love, were all, I suppose that the Tokyo Ballet would be world-beaters, for I have seldom seen dancers so plainly eager to fulfil every demand of their calling. But alas for such hopes; dedication evidently is not enough, and dutiful performances do not make ballets as different as *Les Sylphides* or Balanchine's *Palais de Cristal* look authentic in statement.

There are several factors which may account for my less than enthusiastic impression of the Tokyo Ballet, at the Wells this week. The company is but ten years old, and the Bolshoy manner imposed on Japanese bodies has not yet given them an easy, flowing style. Much of their dancing seems mechanically correct but unfeeling; the ultimate distinction for a company, that logic that must underly movement and its phras*ing, is rarely apparent.*

In a work a massively difficult as *Les Sylphides,* which opened the programme, this meant that the ballet never came alive, and the choreography—as staged by Mr. Hideteru Kitahara—appeared unidiomatic. In the closing *Palais de Cristal*—better known to us as the *Bizet-Balanchine Symphony in C*—the company looked o'erparted. Often meticulously precise, the dancing did little to reveal the buoyant grace of Balanchine's writing, or its effervescent charm. Most successful were a couple of Imperial Russian trifles: the *grand pas* from *Paquita,* and Gorsky's re-editing of *The Ocean and the Pearls* from Petipa's *The Little Humpbacked Horse.* In the first of these Mr. Chikahisa Natsuyama leaped and turned and beat with fine abandon; in the *second,* the very *pretty* Tomoda sisters were delightfully pearly in style, and Hideretu Kitahara raced over the stage with an almost *acrobatic* virtuosity. But in aping the Bolshoy's bravura manner, the Tokyo Ballet seems to avoid everything of a physical and emotional identity that we revere in performances of Noh, Kabuki and Gagaku—not necessarily tradition, but something essentially of the Japanese genius.

CLEMENT CRISP

South Bank Summer Season

Music on the South Bank starts this year on *July 8 and* ends on August 30.

Included in this year's season are the Hungarian Gypsy Company, D'Oyly Carte Opera Company, Ballet Films and Olivier Classics, Alfred Brendel Master Classes, London Festival Ballet and Nature Films.

Additionally, in the Elizabeth Hall, there will be a first showing in the *U.K.* of the film *Jean Sibelius,* a colour film by Finnish Television portraying the composer's life and work presented by *the Anglo-Finnish Society,* as well as Hans Conrad Fischer's films *Anton Bruckner* and *Ludwig Von Beethoven.*

An innovation this year is *Paradise Lost,* a dramatised reading arranged by Gordon Honeycombe and presented in co-operation with the Apollo Society. The cast will be led by Timothy West who will portray *Milton, the 300th anniversary of* whose death was celebrated last year.

Among distinguished artists this year are the Academy of St. Martin-in-the-Fields (with Neville Marriner, this year's artistic collaborator), Janet Baker, Gervase de Peyer, Richard Goode, Lynn Harrell, The King's Singers, Jaime Laredo, Jack Rothstein, Gerard Souzay with Dalton Baldwin, Tokyo String Quartet, John Wilbraham and the Wilbraham Brass Soloists.

D. P.

WORLD TRADE NEWS

Australian corporation for growth of trade

BY KEN RANDALL

CANBERRA, June 4.

LEGISLATION to establish an Australian Overseas Trading Corporation, aimed specifically at developing trade with the Community block and the Middle East, was introduced to Parliament to-day.

The Corporation will have an initial capital of $A1m. and will be expected to operate on a commercial basis so far as return on capital is concerned.

The Minister for Overseas Trade, Mr. Frank Crean, told the House of Representatives that in both the Middle East and the centrally planned economies the demands for Government-to-Government involvement were becoming much more prevalent.

"Against this background the lack of an effective central and co-ordinating instrument of trading activity seems to represent a clear gap in Australia's overseas trading machinery," he said.

Mr. Crean said the gap seemed to extend to most Australian manufacturing establishments which were too small to benefit from economies of scale in overseas trade.

The proposed Corporation will be able to act as a prime contractor, co-ordinating deals beyond the export capacity of individual Australian firms. It will be able to operate the same process in reverse by aggregating imports for small companies.

Mr. Crean said: "Our three largest markets—Japan, the U.S. and the EEC remain of the utmost significance. Together they account for about 65 per cent. of our trade, but they no longer represent the predictable, expanding and buoyant markets for our exports that they did in the 1960s and early 1970s.

"Without in any way detracting from the predominant importance to Australia's overseas trade of these three key markets, there is both a scope and a need for the development of other markets and for the further diversification of our trade."

Talks on joint car cylinder project with Japan begin

BY KENNETH RANDALL

CANBERRA, June 4.

PLANS for a joint Australian-Japanese project to manufacture four-cylinder car engines in Australia are expected to be hammered into working shape at talks which began here to-day.

The Minister for Manufacturing Industry, Senator James McClelland, has given the first detailed outlines of the proposal after nearly six months of negotiation for a new industry structure following the withdrawal of Leyland from local manufacturing.

It is proposed that the project be based on the present engine plant of Chrysler Australia at Lonsdale, in South Australia. Chrysler, and the Japanese manufacturers, Toyota and Nissan, are the industry parties to this week's talks, along with the Australian Government-owned Industry Development Corporation (AIDC) which is expected to take a 10-15 per cent. interest. "This would allow the Government," said Senator McClelland, "to play the role of umpire in the operation of the engine plant."

However, the announcement stressed that the project would be open to any other manufacturer already established in Australia or proposing to set up operations under the new industry structure. At present, there is no four-cylinder engine manufacture in Australia. Senator McClelland indicated that present plans were for the Lonsdale consortium to produce a Toyota small engine of 1200 cc and a Nissan "L" series engine of 1,400-2,000 cc.

Senator McClelland said: "It is clear that if a viable motor vehicle industry is to be maintained in Australia, the local manufacturing industry must switch from its present heavy commitment to 6-8 cylinder cars to balanced production of 6-8 and 4-cylinder vehicles."

He said the Lonsdale project would prevent fagmentation of manufacturing resources, ensure economies of scale and allow a realistic assessment of export possibilities. The advantages, he said, would be maximised if all current manufacturers joined the consortium or agreed to source their 4-cylinder engine requirements to it.

Senator McClelland has also appointed Mr. David T. Beech, the designer of Leyland Australia's ill-fated P76, as special consultant on components standardisation in the car industry, initially on a one-year appointment. Chrysler, Ford and General Motors Holdens already have an informal committee studying the question. Its main achievement so far has been the adoption of a common rear axle assembly, manufactured by Borg-Warner. A common carburretor is under study at the moment and shock absorbers are expected to follow.

March statistics of car registrations, issued yesterday showed the following market shares: Holden 23.7 per cent. (22.6 per cent. in February); Ford 22.5 per cent. (19 per cent.); Toyota 11.2 per cent. (11.4 per cent.): Datsun (Nissan) 10.3 per cent. (11.1 per cent.); and Chrysler 10.3 per cent. (9.3 per cent.). Leyland was down to 2.8 per cent. from 3.6 per cent. in February.

India plans to reduce large trade deficit

NEW DELHI, June 4.

THE INDIAN Government is planning to reduce a large foreign trade deficit by restraining domestic use of certain items to encourage exports. Commerce Minister D. P. Chattopadhyaya said yesterday.

The Government is determined to increase export earnings by about Rs.2.5bn. (£93m.) in the next financial year, he told a Government-sponsored conference on boosting Indian exports.

Despite record exports totalling Rs.22.5bn. (£17bn.). The country's trade deficit for 1974-75 is estimated at Rs.10.9bn. (£590m.). The Minister did not list the items likely to be restricted, but he was apparently referring to luxury household goods and commodities such as sugar and high-quality rice.

Mr. Chattopadhyaya said the Government was planning better use of India's industrial capacity and might create an institution to provide export loans. Several developing countries, especially in the Middle East, had massive development programmes in which India should have a big role, he added.

The association of Indian Engineering Industry to-day reported a significant increase over the past five years in the number of joint ventures approved between India and other countries. It said 359 proposals were approved in 1974, mostly for technical assistance. Reuter

Meanwhile the Reserve Bank of India has modified its directive on export credit policy announced earlier in May. The Bank has now provided relief in pre-shipment and packing credits for specified medium and heavy engineering goods, as well as construction contracts. The maximum period for which the stipulated ceiling rate of 11.5 per cent. is to be charged has been increased from 90 to 180 days in the case of pre-shipment credit.

● India is to organise eight exclusive trade fairs in other countries in the next two years. It also plans to take part in 23 overseas fairs. The eight fairs will be held in Brazil, Venezuela, Gabon, Saudi Arabia, Afghanistan, Britain and the Gulf area.

EDUCATIONAL

Rescue bid for Japan shipyards

By Peter Duminy

TOKYO, June 4.

A TWO-SIDED rescue operation for Japan's shipyards is being worked out between the Ministry of Transport, the shipbuilders and ancillary industries, all of which have been drawn into exploratory discussions this week.

Present indications are that the scheme which emerges may be considered a mixed blessing by shipowners and others, who for the most part would be satisfied with nothing less than a lengthy shutdown of most Japanese yards while the present glut of tanker and other shipping capacity persists.

The yards have no intention of obliging. The most welcome feature of their scheme is likely to be that remaining work will be stretched out as far as possible, whereas in the past the shipbuilders did their best to meet contracted delivery dates.

The slowdown will, however, be gradual, according to Mr. Hidehiko Kametani, an associate director of Kawasaki Heavy Industries. That is because materials are ordered well in advance, and labour cannot be transferred immediately. However, industry sources say shipyard activity may be 10 per cent. lower this year than in 1974-75 (when construction starts at the 35 yards reached a record 253 vessels and 17.8m. tons).

The decline could reach 30 per cent. next year and 60 per cent. in 1977-78.

Both Kawasaki and Hitachi have announced plans to place large numbers of shipyard workers in other activities in the next 2½ years, though immediate prospects of this cannot be good in view of an announcement by Mitsubishi Heavy Industries to-day that 10,000 employees not in shipbuilding will be given extra summer holidays (the Japanese equivalent of being placed on short time) because excessive inventories are building up on these divisions.

The second main feature of the rescue plan will almost certainly be to ensure that Japan's shipbuilders are as well placed as any to survive the crisis. This could involve the yards being designated a recession industry to facilitate forms of direct subsidy. Other requests by the yards include official encouragement (including financial inducements) to Japanese shipowners to place orders for new tonnage, plus improved terms from the Import-Export Bank to finance exports. This has become increasingly necessary as commercial bank finance has dried up.

Canada, Japan in steel talks

TOKYO, June 4.

CANADIAN Arctic Gas Pipeline Ltd. is holding preliminary talks here with Japanese steelmakers on the possibility of buying about 1m. tonnes of Japanese steel pipe and about 300,000 tonnes of steel plate, Chairman W. P. Wilder said.

Mr. Wilder said the talks are with a consortium formed by Nippon Steel Corporation, Sumitomo Metal Industries Ltd., Nippon Kokan and Kawasaki Steel Corporation.

He said no contracts will be signed at this preliminary stage, and added he expects to hold similar sounding out talks this summer with West German and Italian steel makers.

Canadian Arctic Gas Pipeline, together with the U.S. Alaskan Arctic Gas Pipeline Co., plans to build a 2,600 mile pipeline to carry Arctic natural gas from the north coast of Alaska and Canada's Mackenzie delta and Beaufort Sea area, to southern Canada. Reuter

OPEC surplus may fall to $40bn. in 1975

BY RICHARD JOHNS

THE collective oil surplus of OPEC members is likely to fall from some $55bn. in 1974 to $40bn. this year, despite the fact that actual revenue receipts lagged behind payments due by some $15bn. last year.

This is one of the conclusions of *Oil Wealth: Middle East Spending and Investment Patterns*,* a full-scale study written by John Percival and published by the Financial Times. The book is also intended to serve as a hand book for visiting businessmen with detailed lists of government officials, financial institutions, development and successful contractors.

The book, which includes an examination of business conditions and governmental spending in Saudi Arabia, Iran, Iraq, the Gulf Emirates and Oman, observes that balance of payments constraints are already likely to be making themselves felt in Oman and will be of immediate concern to Iran by 1977. Meanwhile, Saudi Arabia and Kuwait have been taking an increasingly critical look at their initial plans for internal development spending, particularly in the area of petrochemicals and refineries.

The book comments that shortage of import facilities and manpower will be a major consideration for such oil producing states, but the question whether such industrialisation is both viable and desirable under the new oil price arithmetic is crucial.

Enthusiasm for major stakes in industry and real estate in OECD countries, largely satisfied as far as Kuwait and Abu Dhabi are concerned, are being subordinated to the priorities of development in the Arab world, Africa and, increasingly, Asia.

This may be of some comfort to those Western Governments who have become nervous of the apparent influx of Arab money into their industries, Mr. Percival suggests. He further predicts that the day when the entire OPEC surplus is channelled into the developing world is not far distant and may even come within this decade.

* *Copies can be purchased from The Financial Times Ltd., 10, Bolt Court, London EC4A 3HL. Price £50.*

Swiss machine makers worried

BY JOHN WICKS

ZURICH, June 4.

THE SWISS machine-building industry's greatest worry at present is retaining a level of profitability necessary to keep production installations up to date, finance research and development and so provide a long-term guarantee. This is stated in a communique issued by the Swiss Association of Machine Builders from Zurich.

Even the most hardy of industries, says the Swiss body, is fundamentally affected by a situation in which products become up to 20 per cent. or more dearer in the course of a few months due to uncontrolled exchange-rate alterations while demand declines suddenly on a broad front.

The association, which in February had predicted an accelerated reduction of the industry's work force if the Swiss-Franc rate stayed unchanged, says that a "difficult situation" exists for many firms.

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AMERICAN NEWS

Sharp fall in U.S. capital investment

By Guy de Jonquieres

WASHINGTON, June 4.

THE FIRST quarter of this year saw a further sharp fall in the level of capital investment appropriations by the 1,000 largest American manufacturing companies, according to a survey by the Conference Board, an independent economic research organisation.

The first quarter appropriations totalled $10.9bn., 9.4 per cent. below the level in the final quarter of last year, when capital appropriations fell 26 per cent. below the preceding quarter this was the sharpest two-quarter drop since the 1957-58 recession.

Capital appropriations are decisions to make expenditures in the future rather than actual outlays during the quarter in question. It is thus likely that the recent retrenchments will be reflected in a continued weakness in capital investment during the balance of this year.

The Conference Board forecasts that appropriations will fall 19.5 per cent. this year but will rise by 10.6 per cent. in 1976. A recent survey by McGraw-Hill projects that actual capital spending by industry this year will be about 5 per cent. higher than in 1974, though after adjustment for inflation it will drop by about 5 per cent.

The sharpest fall in first quarter appropriations was in the durables sector, where planned spending fell by 25 per cent. The biggest retrenchment was in the oil industry, where $968m. of previously approved appropriations were cancelled, though this was partly offset by an increase in new appropriations to $2.5bn. from $2.2bn. in the preceding quarter.

Meanwhile, a study by the Congressional Joint Economic Committee has concluded that a substantial part of the $20bn. injected into the U.S. economy by the recent Federal tax rebates this year, will be neutralised by tax increases and expenditure cuts made by state and local governments.

The survey estimates that these actions will take roughly $8bn. out of the economy. Of this, $3.6bn. is represented by tax increases, $3.3bn. by cutbacks in services and $1bn. by deferred or cancelled capital construction projects.

Pele to join NY Cosmos for $7m.-$12m.

By Jay Palmer

PELE, the Brazilian soccer wizard known as the uncrowned world king of football, will shortly sign a three-year contract to play for the New York Cosmos, a loss-making U.S. team owned by Warner Communications.

Although Warner refused to disclose details of the new contract, it is believed that the 34-year-old player, whose real name is Edson Arantes do Nascimento, will be paid at least $7m. and possibly as much as $12m. for playing in about 85 matches over the period. Even the most conservative of these salary estimates would make Pele the highest paid team athlete in the world.

ACP frustration with EEC deal

BY ROBIN REEVES

BRUSSELS, June 4.

A MINISTERIAL meeting of the 46 African, Caribbean and Pacific countries (ACP) opens in Georgetown, Guyana, to-morrow to take stock, for the first time, of progress made in implementing the Lome trade, aid and co-operation convention with the European Community.

It is already clear that the euphoria which greeted the signing of this much vaunted agreement between the EEC and many Commonwealth countries (together with former French and Belgian colonies) has now given way to ACP frustration at the way the deal is being implemented.

The ACP's general complaint has been at the lack of consolidation by the European Commission in drawing up the implementing regulations. Legally, the Commission has been within its rights since the two sides agreed by exchange of letters that, pending ratification, they would implement the trade aspects of the convention unilaterally by June 1.

Informed sources here argue that the ACPs have only themselves to blame for not insisting on watertight consultation procedures. They say the ACPs avoided doing so because it would have involved stronger obligations as well as rights.

Nevertheless, there is sympathy with the ACP view that whatever the legal position, the spirit of the convention demands consultations during what is, in effect, the building of the foundations of the convention.

The publicity given to the ACP criticisms has already stung a chastened Commission into action in the case of sugar. The two sides met last Friday and eventually reached amicable agreement on consultations procedures for implementing the EEC regulations for continued Commonwealth cane sugar imports into Britain.

There is, however, still considerable dissatisfaction over beef. A Commission spokesman stressed to-day that ACP beef imports were exempt from the EEC's general import ban, free from import duties and subject to a 30 per cent. less than normal import levy.

But the real point is that the countries affected, Botswana, Swaziland, Kenya and Madagascar, are finding it virtually impossible, for a variety of reasons, to sell beef profitably to the Community, which is, after all, the object of the exercise. The imposition of the levy means that a significant proportion of Botswana's national income—perhaps as much as £8m. —is likely to be creamed off in the form of import levy this year and paid into the British Treasury. Swaziland may be forced to give up exporting beef altogether, ending one of the few cash crops open to its subsistence farmers.

Our Georgetown correspondent adds: The Ministerial Council of the ACP group is expected to approve a budget of just under $1m. for the establishment of a permanent secretariat to service the organisation in Brussels.

The secretariat will replace the temporary secretariat created for the 18 months long negotiations between the ACP states and the EEC.

NY mayor, governor prepare cash plan

BY JAY PALMER

NEW YORK, June 4.

HARD bargaining continued this morning between state and city officials over the final version of Governor Hugh Carey's proposed plan to avert New York City's imminent cash shortage. Despite continuing differences, both New York City Mayor Abraham Beane and Governor Carey have expressed hopes that a final draft could be approved by later to-day.

The rescue plan is understood to centre on the immediate creation of a special new state agency, the Municipal Assistance Corporation. "Big Mac," as it has already been nicknamed, would buy up the city's short-term debts and replace them with its own long-term bonds. The agency would have some, as yet unfinalised, power of surveillance and possibly control over future city budgets and fiscal operations.

However, the final agreement originally due last night has stalled on two major differences of opinion. First, Mayor Beane is understood to be insisting that the MAC bonds cannot be directly guaranteed and backed by prime city revenues (such as sales taxes and state aid) without the state assuming certain running city obligations such as court costs, welfare and the expenses of the city university.

Second, both the mayor and city council members appear to be still insisting that the city in no way abrogate any existing financial authority or powers to the MAC.

New York doctors strike

NEW YORK, June 4.

NEW YORK State Governor Hugh Carey is trying to end a go-slow by doctors in New York City that has put hundreds of employees out of work and sharply curtailed non-emergency health care.

The doctors started their campaign on Sunday to protest at the soaring cost of malpractice insurance in New York State and to demonstrate their disagreement with a new State malpractice law which comes into force on July 1. Mr. Carey was to meet representatives of the physicians and hospitals in the State capital of Albany to-day.

The meeting comes one day after hospitals in the areas worst hit by the strike—Brooklyn and Queens boroughs in New York City and three counties just outside the city—laid off hundreds of workers or put them on shorter working weeks. Reuter

Brazil's nuclear use 'exclusively peaceful'

By David White

RIO DE JANEIRO, June 4.

DESPITE denials by the Brazilian government that it intends to produce a nuclear weapon, controversy over the issue threatens to hold up the nuclear power agreement which the foreign minister, Sr. Antonio Azeredo da Silveira, hopes to sign in West Germany later this month.

Last night the minister stated firmly that the agreement was aimed "exclusively at the peaceful use of nuclear energy," following a report in the Washington Post at the weekend, citing U.S. government officials, that the pact would enable Brazil to produce a bomb.

The agreement, which involves building up a nuclear industry in Brazil as well as the sale of reactors, and is believed to include local facilities for enriching uranium, will have to be approved by the International Atomic Energy Authority in Vienna, and by the European body Euratom. Alongside Argentina and India, which exploded a nuclear device last year, Brazil has not signed the Non-Proliferation Treaty, and it only adhered to a Latin American agreement on nuclear weapons on condition that all other countries ratified it. Argentina has not done so.

Besides the West Germans, Brazil has been conducting negotiations with the French, who are also not signatories of the Non-Proliferation Pact. The agreement outlined with Bonn is believed to cover a programme of eight nuclear reactors.

● According to Whitehall sources, India has pledged its help to Brazil in the development of an atomic weapon.

U.K. supported on Chile debt issue

By Hugh O'Shaughnessy

SWEDEN, Norway, Denmark, the Netherlands, Belgium and Italy are supporting the refusal of the British Government to renegotiate the international debts owed by Chile in 1975, according to sources close to the creditors.

At informal meetings held in Paris of Chile's creditors last month, which were boycotted by Britain and Italy, the Nordic countries, Belgium and the Netherlands, were either represented at observer level or withdrew their official delegations before the end of the proceedings.

Those countries which have so far refused to extend financial concessions to the Chilean Government feel that last month's talks in the French capital did not constitute a formal meeting of the Paris Club and they are therefore not bound to accept the conditions accepted by those countries which did come to some arrangement with the Chileans.

The Chilean Embassy in London said Chile was "determined to pay its debts, under the conditions which are consistent with its present balance of payments . . . the Chilean Government has now got to engage in bilateral negotiations with each of its creditor countries, negotiations which will begin in the near future."

AEROSOLS AND THE STRATOSPHERE

Doubts about a squirt

BY NANCY DUNNE IN WASHINGTON

WHILE THE debate on whether or not supersonic aircraft will damage the ozone layer surrounding the earth is at present in abeyance, the question of harm being inflicted by chlorofluorocarbons used in aerosols has taken centre stage.

Scientists are taking the threat sufficiently seriously for NASA to have announced the formation of a broad programme to study the effects of natural and man-made pollutants on the earth's ozone radiation shield, concentrating on the effects of aerosols and refrigerants. With the use of high flying U-2 aircraft, balloons, and sounding rockets and satellites, NASA will attempt to assess how many chlorofluorocarbons are actually reaching the upper atmosphere. The programme, which may cost as much as $50m., will co-ordinate various individual agency efforts already under way and will attempt to reach a conclusion on the extent of the possible damage in about a year.

It was almost a year ago that two University of California chemists, Mr. F. Sherwood Rowland, and Mr. Mario Molina, published a paper in the international journal Nature, charging that fluorocarbons could well be having a disastrous effect on the ozone blanket which protects life on earth from an overdose of the sun's ultraviolet rays. The two scientists claimed that fluorocarbons rising into the stratosphere could decompose into chlorine, which in turn could destroy ozone molecules. Mr. Rowland later predicted that if fluorocarbons continued to be used at the present rate, the ozone layer could be reduced by between 10 and 40 per cent. within 50 years. That would cause a drastic increase in skin cancer cases as well as having a "catastrophic" effect on climate and agriculture.

Since last June, these findings have been supported by scientists at Harvard, the University of Michigan, and the National Centre for Atmospheric Research. The Harvard team predicted that fluorocarbons could deplete the ozone layer by 16 per cent. within 25 years, which, they say, could lead to more than 100,000 additional cases of skin cancer per year.

There appears to be no known chemical or physical reactions by which fluorocarbons may be removed from the atmosphere. By September, 1974, the National Academy of Sciences was so concerned about the reports that it appointed a special five man panel to assess the situation. The panel recommended a full scale study to be completed within a year. Dr. Donald M. Hunten, panel chairman and an atmospheric physicist, called for an immediate halt to the sale of aerosol sprays containing fluorocarbon propellants.

Evidence

The U.S. aerosol industry has grown at a tremendous rate since 1947 when 4½ million cans—mostly of insecticides—were sold. In 1973, almost 3bn. aerosols were manufactured in the U.S.—enough to provide about 14 for every citizen. The $3,000bn. a year industry has not been idle in the face of this problem. Led by Du Pont, the industry has contracted with several university researchers to seek more definite evidence. Asking for a three year delay of any governmental ban, a spokesman for Du Pont called the assessment of ozone effects "largely hypothesis" and pointed out that little is actually known about chemical reactions in the upper atmosphere.

Some American consumers apparently have taken the threat seriously. Sales of aerosol products are down this year, and manufacturers are blaming the publicity. Mr. Robert H. Abplanalp, a close friend of the former President, Mr. Richard Nixon, and developer of the plastic valve used on aerosol cans, has said that production in his Precision Valve plants was down by 50 per cent. in March. Du Pont has also reported a sharp drop of sales.

Fluorocarbons are not used in all aerosol products, but it is not yet clear if consumers are making this distinction. For instance, most aerosols dispensing water-based products such as shaving cream, bathroom cleaners, and paints use hydrocarbon propellants. And a compressed gas form of nitrous oxide or carbon dioxide is used in aerosol packs of food products like whipped cream.

The official response to the possible dangers has been immediate but confused. The House of Representatives Sub-committee on Public Health and the Environment held hearings last December on legislation, and this session has introduced a Bill giving the Environmental Protection Agency power to regulate fluorocarbons. But the legislation is nowhere near passage.

Meanwhile, there exists the questions of which federal agency should be responsible for furnishing proof of the theory; which agency should control the manufacturer of the chemicals; which agency should have jurisdiction over the stratosphere. The Federal Interagency Task Force on Inadvertent Modification of the Stratosphere, a group composed of representatives from 12 agencies, has been established to analyse available data, evaluate possible economic impacts and work out the jurisdictional tangle.

The fluorocarbon problem, of course, is not a problem for the U.S. alone. Although the amount of the compound varies in different places in the stratosphere, the entire ozone layer can be affected. World wide use of aerosols is on the increase. In 1972 an estimated 5.34bn. units were consumed world wide. Of that total, the U.S. consumed about 2.82bn. units and Western Europe about 1.62bn. units. Britain is thought to run second only to Switzerland as a user of aerosols in Western Europe, using an estimated 6.5 aerosol units per person annually, compared to 4.8 aerosol units per person in the rest of Europe.

EUROPEAN NEWS

French Left leaders set date for 'summit' meeting

BY GILES MERRITT PARIS, June 4.

THE OPEN ROW between France's Communists and Socialists that earlier this week appeared to threaten the future of their Union of the Left coalition has been refused with the announcement that the two party leaders are to meet for their long-delayed "summit" on June 19.

On Monday, Communist party leader M. Georges Marchais challenged M. Francois Mitterrand's desire for the meeting, which it is hoped will settle the growing differences between the two opposition partners.

The Socialist-Communist split has of late taken an extremely serious turn as each party intensifies its support for its Portuguese counter-part. And as the situation in Lisbon has deteriorated the inherent rivalry between French Socialists and Communists has increased. The recent closure of the Portuguese Socialist newspaper Republica at the alleged insistence of the Communists there has polarised Left-wing opinions in France.

The forthcoming talks between M. Mitterrand and M. Marchais—their first for over a year—are to be held on the relatively neutral ground of the Left-wing Radical Movement's headquarters. M. Robert Fabre, who is leader of the party which is the third and smallest member of the Union of the Left, is also to take part in the summit.

In spite of their personal jealousies, the Socialist and Communist leaders are likely to work hard at hammering out a joint position over Portugal. Because the situation there all too clearly raises the spectre of France going the same way in the event of a Union of the Left win in the 1978 Parliamentary elections, both men must be eager to repair the damage. So far, the bitter quarrelling between the two coalition allies can only have convinced the electorate that the two parties would eventually vie for absolute power.

Friendly relations between the two leaders and the development of further joint Left-wing policies to be added to the coalition's common programme of reforms will no doubt be the order of the day on June 19, but it is unlikely that the summit will cure the bitterness between the rank and file of both sides.

Costa Gomes pledge on NATO

BY RUPERT CORNWELL PARIS, June 4.

PRESIDENT FRANCISCO da Costa Gomes of Portugal arrived here this afternoon to begin a four-day visit to France — and at once restated his Government's pledge that it will respect its existing treaties, and above all membership of the North Atlantic Alliance.

To-day's is the first official trip that the Portuguese President has made since he replaced General de Spinola as head of state last autumn. The visit is doubly timely in that it serves to demonstrate not only Portugal's place in the West but its position in Europe as well.

In his speech of welcome President Giscard d'Estaing hailed the occasion as "a step by Portugal towards Europe." There is no doubt that the two rounds of talks between the two leaders will be very friendly in tone.

The main topic indeed is likely to be the future of ties between Lisbon and the Common Market. In a few weeks the EEC is due to decide whether and how to extend the existing trade agreement to include financial and industrial co-operation.

However, these closer links, the Community Foreign Ministers made crystal clear in Dublin last week, are conditional on the development of real democracy in Portugal, and President Costa Gomes will be at pains to dispel fears on that score.

In an interview with Le Monde published to-day he went out of his way to emphasise that not only was Portugal's place in NATO quite compatible with its new overtures towards the non-aligned Third World but also that political problems at home had been exaggerated.

John Wicks reports from Zurich: A spokesman for the Bank of International Settlements confirmed this morning that the bank was to grant a short-term credit to Portugal. The credit sum would be granted against gold collateral, he said, and have a maturity in the region of one to three months.

Portugal Assembly: lively start

BY JANE BERGEROL LISBON, June 4.

COMMUNISTS, Socialists and Popular Democrats are to get together to-morrow morning to draw up a single list of officials for the new Constituent Assembly, thus hopefully avoiding bickering on the floor of the house over election of a speaker and deputies.

Fireworks have already broken out in Portugal's Constituent Assembly, barely 24 hours after the inaugural opening session on Monday, as the Communist-dominated MDP-CDE, backed by the Communist Party, tried to exract agreement from Deputies for parity party representation on the first Assembly committee to be elected.

MDP-CDE deputies—of which there are only four—were pressing for parity representation on the committee, which has the theoretically formal task of scrutinising Deputies' credentials.

This would have given them and the Communist Party, plus one extreme Leftist, almost equal weight on the committee with the representatives of the Socialist, Popular Democrat and Centre Democrat parties.

Neither of the three were willing to go along with the motion, however, and it was defeated in favour of a proportional representation, favouring the Socialists and Popular Democrats who, between them, won 62 per cent. of the April 25 vote.

The parity move is being viewed with gloom by Socialists who are interpreting yesterday's Communist and extreme Left tactics as part of a concerted strategy to disrupt Assembly proceedings.

It is too early yet to speak of a definite line-up in the Assembly, particularly since the Popular Democratic Party (PDP) new Secretary-General has shown signs of trying to outflank the Socialists on their Left, which might lead to tactical temporary line-ups of the PDP with the Communists, unlikely though this yet appears.

Belgian jet decision on Saturday

BRUSSELS, June 4.

BELGIUM now says it will decide on Saturday whether it wants to give the $2,000m. "arms deal of the century" to the makers of the U.S. F-16 jet fighter or to France's Mirage F-1. A Cabinet Meeting to-day failed to agree.

Denmark, Holland and Norway have all said they will buy the U.S. General Dynamics F-16, provided Belgium does so.

The Premier said Ministers would have further discussion on the outcome of a meeting in Washington on Monday between U.S. Defence Secretary James Schlesinger and the Belgian Defence Minister, M. Paul Vanden Boeynants.
Reuter

Adriatic oil discovery

PARIS, June 4.

THE French oil firm ELF-ERAP to-day announced it has discovered oil in the Adriatic off the coast of Italy but added further tests will be needed to assess the find's commercial significance.

ELF is the drilling operator for an international consortium including BP's Italian subsidiary, France's Aquitaine Oil Group and some French and Italian independents.

An initial drilling in March, 15 miles offshore from the Adriatic port of Vasto, in 262 feet of water brought up heavy quality oil whose presence has been confirmed by a second drilling nearby, the company said.
Reuter

UN MOVE ON SPANISH SAHARA

By Our Own Correspondent
UNITED NATIONS, June 4.

DR. KURT WALDHEIM, the UN Secretary-General, has agreed to use his good offices to try to resolve the dispute over the Spanish Sahara, it was announced to-day. He will visit Algeria, Mauritania, Morocco and Spain between June 9 and 13.

W. GERMANY WILL MAKE GREEK LOAN

By Our Own Correspondent
ATHENS, June 4.

WEST GERMANY will grant Greece substantial economic aid in the form of a loan, Professor Xenophon Zolotas, governor of the Bank of Greece, said to-day. The governor said the amount of the loan and its terms will be finalised in the next fortnight.

EEC's first directive on banking submitted to select committee

BY DAVID CURRY BRUSSELS, June 4.

THE COMMON Market's first attempt to introduce common rules governing some aspects of banking is being examined by a Council of Ministers select committee.

The draft directive, which embraces broad regulations covering the establishment and regulation of banking business in EEC member states, is intended to be a framework into which detailed and specific regulations could be fitted. The Commission is hoping for the adoption of the regulation by the Council of Ministers before the end of the year, though this hope may be over-optimistic.

One of the major purposes of the draft directive is to establish precisely what institutions should be covered by its terms. The Commission has simply referred to institutions that take deposits and lend money, although it has suggested that institutions which could only be brought into the framework of the regulations with difficulty could, at national request, obtain a delay of execution.

The British side in the discussions is likely to urge that this first directive should embrace only "hard-core" banks—the clearers and acceptance houses — and exclude for the moment institutions such as building societies.

Another difficult area is that of authorisation. The draft is worded so that a bank in one member state could obtain prior authorisation to function as a fully-fledged bank in another state before actually setting up shop. The British, along with a number of other member Governments, would prefer a more gradual approach, perhaps incorporating some form of "apprenticeship" before an institution got the go-ahead to conduct the whole range of banking business.

However, the U.K. side is endorsing one essential concept in the draft directive, which is that a contact committee drawn from the banking supervisory authorities in member states plus Commission members should be entrusted with applying the directive and, more importantly, taking the initiative in amplifying it and suggesting broad lines for further measures of banking regulation "convergence" (to use the word which has replaced "harmonisation" in the Community's vocabulary).

Arrests follow Madrid strike call

BY ROGER MATTHEWS MADRID, June 4.

MORE THAN 100 arrests were made in Madrid this morning as thousands of police attempted to forestall any response to calls for a general strike made by illegal political groups. Official sources admitted that at least 60 workers' pickets had been detained and dozens of students were arrested when they left the University campus in an attempt to demonstrate in the city centre. The three Madrid universities were all virtually halted by a boycott of classes organised both by students and lecturers.

During the past week the city has been deluged by literature from theso-called "Junta Democratica"—which groups together the Communist Party, the Partido de Trabajo, and other smaller factions—urging three days of "struggle" against the "fascist dictatorship." There were reports this morning of strikes hitting a number of factories, including the large Kelvinator plant where 2,000 men downed tools, and the Siemens factory where 300 walked out. At least 25 construction companies were affected and a number of plants in the metal-working sector.

Public services, however, remained largely unaffected after police had picked up a number of men thought to be potential ringleaders in the past two days. Officially to-day was described as one of "complete normality," a phrase that was faithfully reproduced in the headlines of the evening Press.

Further demonstrations and work stoppages have been planned for later in the day and the list of arrests is expected to have mounted sharply by to-morrow morning.

Heavily armed riot police, many of whom were equipped with automatic weapons and backed by mounted sections and a helicopter overhead, virtually took over the main Madrid University this morning. Roads leading into the centre of town were extensively patrolled and water cannon moved up to potential flashpoints.

Little hope for new Cyprus talks

BY MALCOLM RUTHERFORD

THE TALKS on the future of Cyprus resume in Vienna to-day with little hope of substantive progress. The general air of pessimism exists despite the meeting in Brussels last Saturday between the Greek and Turkish Prime Ministers, Mr. Karamanlis and Mr. Demirel.

The outcome of that meeting is now being summed up as "atmosphere cordial, results nil"—a formula already applied to previous meeting between the Greek and Turkish Foreign Ministers. On Cyprus, they remain far apart and too hampered by their own domestic opinion to make progress.

The Vienna talks, like the previous session last month, will be attended by Mr. Glafkos Clerides for the Greek-Cypriots and Mr. Rauf Denktash for the Turkish-Cypriots. Dr. Kurt Waldheim, the UN Secretary-General, will also take part.

Both Mr. Denktash and Dr. Waldheim made statements yesterday warning against expecting any decisive results. Mr. Denktash is accusing the Greek-Cypriots of duplicity in continuing to press complaints against the Turks at the European Commission on Human Rights in Strasbourg.

According to Mr. Denktash, attendance at Strasbourg meant that the joint commission on the future of Cyprus, set up at the last Vienna meeting, was unable to complete its work.

● Paul Lendvai adds from Vienna: The leader of the Greek Cypriots, Mr. Glafkos Clerides, threatened to-day in an arrival statement that he would leave the Cyprus conference if the Turkish side were to go ahead with holding a referendum about the projected constitution of the Turkish occupied area of Cyprus. Mr. Clerides added that he was ready to discuss all questions and if necessary to stay on until June 12 or even June 20.

Finns call election in September

By Lance Keyworth

HELSINKI, June 4.

PRESIDENT Urho Kekkonen of Finland decided to-day to call a general election on September 21-22, six months before the due date. This was no surprise, for the dissensions within the four-party, Left-centre coalition Cabinet reached the point of irreconcilability some months ago.

Premier Kalevi Sorsa's Government automatically offered its resignation, but agreed to stay on in a caretaker capacity until certain urgent legislation has been passed by Parliament. It will then be succeeded by a non-political caretaker Cabinet and Parliament will be dissolved, probably on June 13. The new Parliament will meet on October 1.

This brings to an end a long period of political uncertainty in Finland.

Anti-inflation package plan

By Dominick J. Coyle

DUBLIN, June 4.

THE DUBLIN Government, in a series of three special Cabinet meetings which started here to-night, is expected to finalise the broad lines of a counter-inflation package to be presented on Friday afternoon to a meeting of a newly appointed working party on the economy.

The Government hopes that the working party, made up of senior economics Ministers, representatives of the Confederation of Irish Industry, the trade unions and the farming organisations, will endorse the Cabinet's proposals, although the proposed measures are, in fact, likely to meet trade union resistance.

FRENCH DIVORCE BILL APPROVED

PARIS, June 4.

THE NATIONAL Assembly to-day approved by 381 votes to 34 a new liberalised divorce law for France which brings in divorce by mutual consent. One of the innovations introduced by reform-minded President Giscard d'Estaing, the new procedure allows couples to end their marriages after a minimum of six months and a compulsory waiting period of three months. In contested cases, a divorce can be obtained after six years of separation.
Reuter

The Suez Canal reopens to-day, eight years after its closure at the time of the 1967 Arab-Israeli war.

Alain Cass and **James McDonald** report on

The problems of a shipping lifeline restored

THE SUEZ Canal re-opens to-day after eight years in which world shipping has geared itself to do without the waterway to such an extent that, in some ways, it finds the canal's renewed availability an embarrassment. Representatives of the shipping and insurance industries will be at the re-opening ceremony to present official congratulations. But no more than a cautious welcome has come so far from many individual ship operators who, at least in the short term, believe that the waterway will set one more problem for a world merchant fleet suffering from a surplus of tonnage.

At the most cautious estimate some 440 oil tankers totalling about 31m. dwt—or over 12 per cent. of the world tanker fleet—are now unemployed as a result of the oil price rises which began 19 months ago. There is a further large surplus hidden in the hundreds of tankers "slow steaming" or "awaiting employment" in the Gulf. Added to this is the very big order book held by the world's shipyards which, despite recent cancellations, still amounts to well over 100m. tons on contract.

A superficial analysis of the Suez re-opening, which could cut thousands of miles from the journey of a ship able to use the Canal instead of going round the Cape, would suggest that another third, in tonnage terms, of the world's already over-sized tanker fleet would become superfluous. But this ignores a major factor—changes in the size of tankers since the Canal closed. As a major London broker points out, "the majority of the world's tanker tonnage would at present be unable to go through the Canal."

Another fallacy is the assumption that European exporters selling to the highly coveted Middle East markets will send all their goods by ship through Suez. The closure of the Canal brought increased traffic—and capacity—on a number of alternative routes, quite apart from the long sea route via the Cape.

Thus, one freight forwarding organisation, the MAT transport group, offers about ten different ways of moving cargo to the Gulf. There are two overland rail routes linking Western Europe with Middle Eastern countries—one through Russia and the other through Turkey. In addition there are two main road routes through Europe to the area, together with ship-road-ship-rail facilities.

MAT suggest that, with Middle East customers often willing to pay more for speedier delivery—"a number of Arab buyers want the goods delivered yesterday"—the overland routes will still be in favour at transit prices of up to £200 per ton. The Suez route to the Gulf will gain on price—probably at a transit cost of between £50 and £100 per ton—but delivery of goods could be considerably delayed, depending on the Gulf port of delivery. Some are free from congestion and modernised but others, notably those where most of the Gulf imports go, are already suffering from severe congestion.

Thus, in some ways, the Suez Canal is opening at a bad time. The momentum towards peace in the Middle East is, at best a faltering one. The Canal itself will not be able to work at full capacity for some weeks, even within its present limited potential of draft and cross section: and perhaps crucially, it is making its come-back at a time when shipping, and especially tanker, markets are very depressed.

Before the Canal was closed in 1967 some 13 per cent. of world trade went through it. Since then trade, particularly between areas east of the Canal and the Mediterranean, the North Atlantic and the Caribbean, has increased vastly. As a result, on the most optimistic assessments, the maximum amount of traffic which could be diverted via Suez has been estimated at 17 per cent. of seaborne trade, of which around 80 per cent. could be accounted for by crude oil movements.

But since the closure (and because of it to some extent), the dramatic transformation in world tanker fleets has made ships of over 200,000 d.w.t. the norm. Even though this movement has levelled off recently most tankers, whether laden or in ballast, are now far too big for the Canal in its present form. Thus, in reality Suez is unlikely, for the time being at least, to get more than 17 to 20 per cent. of crude oil traffic from the Gulf westwards to any place for which the waterway offers a possible route. This, indeed, is the expectation of the Canal Authority, which does not expect traffic to return to its pre-1967 levels for some time.

It is also taking a conservative view of the growth of crude oil shipments which might use the Canal (very largely traffic from the Gulf to Europe and North America). For Middle East oil exports to Europe the projection is a sharp drop in growth from the 10 per cent. rise of 1973 to less than 4 per cent. annually in each of the eight years to 1981. That is so largely because of the emergence of North Sea oil (and alternative forms of energy), the bulk of which is unlikely to move outside Europe either in the form of crude oil or refined products.

According to one projection, by Lambert Bros. Shipping, this would give a total potential Suez Canal oil traffic increase between 1973 and 1981 of around 4.3 per cent.

These constraints, and those imposed by the current 17-foot draft of the waterway have been taken into account by the Canal Authority in the way it has fixed its charges. Apparently regarded as realistic by the shipping community these are the equivalent of $2.115 per Suez Canal net ton for all loaded oil tanker and bulk carriers and $2.215 per ton for non-bulk dry cargoes—in effect the cargo liner trades. There is a "blanket" rate of $1.61 per ton for all ships going through the canal in ballast—mainly oil tankers.

The Canal Authority has done some fundamental re-thinking of the Canal's position in the context of world shipping. In 1967, the Canal was still to some extent a central feature in international seaborne trade, determining trade routes as well as ship sizes. The basic question the Canal Authority has been asking itself recently is whether this is a position which the Canal is ever likely to regain—and, if so, how?

The Authority's determination to make a real go of the Canal (largely, one suspects, spurred by President Sadat, who sees in the Canal, among other things, a desperately needed life-line for his struggling economy) is to some extent reflected in the level of dues. "We were faced," a senior official said, "with an immediate choice in assessing how much to charge. Should we, as suggested by some of the consultants we hired, go for what the market even in its present depressed state might bear, or should we be more modest and try and attract a larger slice of the potential traffic with lower dues? Should we, in other words, maximise traffic or revenue?"

In deciding which course to take, the Authority was fundamentally influenced by the belief that the Canal must, if it is to help Egypt as much as it needs to be helped, become a developing as opposed to a static asset. Another Egyptian official put it this way: "The viability of the Canal does not just mean $450m. a year to us. We believe the greatest investment Egypt can make in a political sense is to open the Canal and make it work as well as ever whatever the constraints."

Even despite its present limitations, the Canal should be a useful and profitable time saver for much of the dry-cargo fleet operating on that run, as well as the growing fleet of container vessels built since 1967 to fit the Panama Canal (these can be accommodated by Suez without difficulty, though the Far Eastern container ships are an exception). Though some fleet superintendents might argue that Suez could take bigger ships now, the realistic limit set by the Authority is 60,000 deadweight tons laden and 150,000 d.w.t. in ballast.

The saving for the average dry cargo vessel could be considerable, with 12 per cent. lopped from the distance between northern Europe and West Australia at one extreme and over 50 per cent. axed from the shorter runs from South Asia and the Middle East to both northern and southern Europe.

This would, for example, mean a combined gross saving on fuel and time charter costs on the Mina Al Ahmadi to Baltimore round trip of around $4.87 per ton of cargo for a 60,000 d.w.t. tanker. For smaller ships on shorter runs using the Canal both ways, the saving would be up to $2 a ton more. So far as smaller tankers of 100,000 to 150,000 tons are concerned, it may be, as some shipowners have suggested, that a handy one-way ballast trade may develop.

The Canal Authority is acutely aware of the present size limitations and has said repeatedly it intends to proceed with development projects as swiftly as time and money allow. The second stage of the Canal improvement programme, to be completed in 1978, will give it a draught of 53 feet allowing it to accommodate up to 150,000 d.w.t. fully laden, and 300,000 d.w.t. ballast vessels.

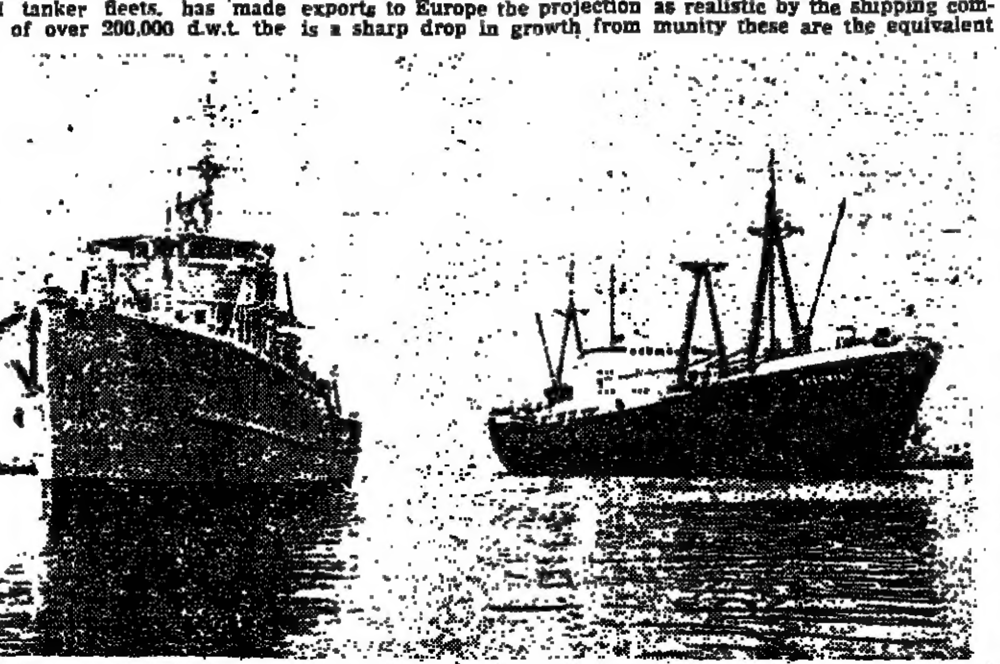
The additional volume of traffic resulting, again according to Lambert Brothers, could be in the region of 171m. to 230m. tons, taking the total potential up to between 370m. and 490m. tons (of which 60 per cent. would be oil and 15 per cent. dry and general cargo). Work on the initial stages has already started with the dry excavation of the Canal's east bank. Penta-Ocean Dredging of Japan has won a contract to undertake initial dredging operations.

The next stage, currently only a feasibility plan, which the Egyptians insist, be finished in 1981 raising the draught to 67 feet and taking the potential tonnage a year to between 776m. and 1.04bn. tons, with fully-laden VLCCs able to use the route. The Canal could then have between 17 and 23 per cent. of world seaborne trade within its banks.

The state of the tanker market then and the question of whether the economics of supertankers will make it any cheaper for them to use the Canal rather than the Cape route entirely are, however, a matter of conjecture.

A crucial issue, until the Canal proves itself, must be the attitude taken by insurers. It is likely to change, responding both to market forces and the political conditions in the Middle East, but initial indications are that, so far as London is concerned anyway, insurers (cheerfully described by one of their number as "notoriously optimistic") are prepared to give the Canal the benefit of the doubt.

In some respects the insurers' view is a fundamental barometer by which the Canal's continued success might be judged. For, given that the Canal authorities and the shipping world hold to the prevailing wisdom that the waterway, however important, is unlikely ever again to dominate seaborne trade as it did prior to the June war, the essential question must be whether, once open, it will stay open or whether political conditions in the Middle East will again deteriorate to the point where war becomes inevitable and the Canal is closed again. And that is a question not likely to be answered for some time.



The Minehunter, HMS Sheraton, in the Suez Canal with the West German ship Nordwind, the second ship to leave the Great Bitter Lake of Suez Canal after being trapped for eight years.

House likely to adopt Kenya murder report

BY JOHN WORRALL NAIROBI, June 4.

KENYA TO-DAY was stunned by the Parliamentary Select Committee's unprecedented report on the March murder of Mr. J. M. Kariuki, the popular MP.

All Kenya's newspapers carried the report to-day and were sold out before 9 a.m., so strong is public interest in the Kariuki affair.

The Aga Khan-owned Daily Nation published the report in full, but Lonrho's Standard, under its new African Editor-in-chief, Mr. Henry Gathigira, omitted vital sections such as the committee's call for the sacking of the Police Commissioner, Mr. Bernard Hinga, and other senior officers, and the suspension of the Commander of the GSU (the para-military general service unit) Mr. Ben Gethi.

The Committee made a shattering attack on the police for what it described as "a massive cover-up operation" to hide the circumstances surrounding the Kariuki murder. While the Parliamentary Committee was praised generally for its courage in publishing its report, there was disappointment in some African circles that it did not go further and at least imply who actually gave the orders for the killing.

There was also praise for Kenya at a diplomatic lunch to-day for the freedom with which the report was distributed yesterday.

"This couldn't happen in any other country in Africa," said one foreign diplomat. "No other country could afford to have its top police brass attacked in this way."

The Committee took a copy of its report to the President, Jomo Kenyatta, yesterday afternoon before it was tabled. A photograph of him smiling with the Committee and holding up one finger in the Kanu victory victory gesture was published in to-day's newspapers.

The Government-controlled Tanzania Radio to-day reported that the name of a prominent Cabinet Minister whom the Committee thought should be investigated was omitted from the report.

Crowds stood round Parliament buildings in Nairobi to-day where the report was being debated. There is every possibility that this extremely outspoken new Parliament will approve the motion adopting the report.

But it is not known what the Goverment will do in the light of the committee's call for the suspension of the senior policemen.

It is also a matter of speculation here what the reaction of the students of Nairobi University will be when they return to their lectures on Monday. The university has been temporarily closed after the savage campus riots last week.

● Kenya's Parliament defeated a Government attempt to postpone the debate on the report.

Vice-president Daniel Arap Moi and the Attorney-General, Mr. Charles Njonjo, sought to postpone debate to give more time to study the report, but their move was defeated overwhelmingly by a voice vote.

Reuter

Fighting breaks out again in Cabinda and Angola

LUANDA, June 4.

FRESH OUTBREAKS of fighting were reported to-day in the oil-rich enclave of Cabinda and the Northern Angolan coffee town of Carmona after week-end clashes in which 11 people died.

Shooting broke out yesterday, in and around the town of Cabinda and its airport was closed. The authorities said order had been restored but unconfirmed reports reaching here to-day said fighting had resumed.

A Luanda businessman in contact with a branch office in Cabinda said Portuguese residents this afternoon were evacuating their homes, offices and shops and seeking safety near the harbour under the protection of Portuguese and integrated liberation movement forces.

The Luanda newspaper O Comercio said to-day 11 soldiers of the rival National Front for the Liberation of Angola (FNLA) and the Popular Movement for the Liberation of Angola (MPLA) were killed in clashes there at the week-end.

At least 29 soldiers and civilians were said to have been wounded in Carmona and other casualties were evacuated to Luanda.

A spokesman for the Cabinda Gulf Oil Company said it was evacuating its 200 personnel from its Melongo terminal in Cabinda, the centre of its operations there.

The company, a subsidiary of the American-owned Gulf Oil Company, is the main exploiter of Cabinda's oil reserves.

He said that the MPLA controlled the town of Cabinda after fighting yesterday and to-day but the townspeople had converged on the port, in the hope of being evacuated in case FNLA soldiers counter-attacked.

Reuter

Suez: Israel ship rights 'up to Geneva'

BEIRUT, June 4.

EGYPTIAN PRESIDENT Anwar Sadat said in a television interview shown here to-night that the question of letting Israeli ships use the Suez Canal could only be decided at the Geneva peace conference.

He told Lebanese television he believed it unlikely Israel would attack the area of the canal, which is being reopened to international shipping to-morrow, and said any Israeli attack on a canal town would be regarded as an attack in depth on Egypt.

Asked whether Israeli ships would be allowed through the waterway, Mr. Sadat said: "The 1888 Treaty of Constantinople stipulates that if there is a state of war between any state and Egypt, its ships will not pass through the canal."

Asked whether there was a specific price for Israeli ships being allowed use of the canal, Mr. Sadat replied: "That can only be at the Geneva conference and in the final solution in the presence of all parties.

"If Israel fulfils all its commitments under (United Nations Security Council) resolution 242, we shall fulfil our obligations under resolution 242."

Reuter

● Washington: Mr. Daniel Moynihan, nominated Ambassador to the United Nations, said to-day the U.S. should freeze all its contributions to the world body and refuse participation in the General Assembly if Israel is expelled.

UPI

Sinai pull-back complete

TEL AVIV, June 4.

ISRAEL TODAY completed a partial pullback of troops and weapons from the Suez Canal area and insisted on being able to send its cargoes through the waterway in the future.

The rollback of 3,500 men and 15 tanks into new positions further back in the Sinai desert was finished overnight, Defence Minister Shimon Peres told reporters.

As the canal reopens to-morrow for commercial shipping after eight years, Israel's nearest heavy guns wil be 20 miles away—out of range of the waterway.

All missiles except anti-tank weapons were also removed from Israel's limited-forces strip east of the United Nations buffer zone set up in last year's disengagement agreement with Egypt.

Arab summit off

CAIRO, June 4.

THE LATEST Middle East peace moves have prompted postponement of the Arab summit conference in the Somali capital of Mogadishu, the Arab League assistant secretary-general, Dr. Sayef Nofa, announced here to-day.

He said 11 of the 20 League member states had informed the League they favoured putting off the summit, which had been scheduled to open on June 28, until later this year.

Talks on economic and political co-operation between the Arab countries and the EEC will open at the Arab League's headquarters here on Tuesday, the League's assistant secretary-general, Mr. Mohamed Farra said meanwhile: Reuter

South Vietnam Cabinet expected to be announced shortly

SAIGON, June 4.

THE SOUTH VIETNAMESE authorities are expected to announce the composition of a provisional revolutionary government of the Republic of South Vietnam within the next few days, according to reliable sources.

The sources said a Cabinet could be announced on either Friday or Sunday. Friday is the anniversary of the formation of the Provisional Revolutionary Government (PRG) in 1968.

Several high-ranking North Vietnamese officials have been visiting Saigon from Hanoi over the past two weeks, holding discussions with PRG officials.

After the lightning victory of the PRG forces last month, speculation here has centred on the question of whether North and South Vietnam would be immediately unified under one government.

A unified government at this time would undoubtedly be heavily loaded with North Vietnamese and most PRG officials are opposed to such a unification, the sources said.

Many also feel that Saigon would be in a better position to solve its economic problems if it remained a separate entity for some time.

A recent foreign Press report said South Vietnam would remain neutral for five years before joining with the North and Saigon itself would remain virtually a free port. But an authorised source refused to confirm this story when questioned.

Sources said the general security situation, particularly in Saigon, has also held up announcement of a PRG Cabinet. The official newspaper Giai Phong (Liberated Saigon) has referred to reactionary elements continuing to hinder the revolution and urged people to purge the country of them.

The sources expect the two top positions in a PRG Government will be held by PRG Advisory Council chairman Nguyen Huu Tho and PRG chairman Huynh Tan Phat. Mr. Tho delivered the key speech in victory celebrations held on May 15, although Mr. Phat is widely believed to have been the most powerful figure in recent developments.

Radio Hanoi said to-day that North Vietnam will normalise relations with the U.S. if Washington respects the fundamental national rights and territorial integrity of Vietnam.

The Radio, monitored in Hong Kong, was quoting Prime Minister Pham Van Dong in his address opening the session of the fifth National Assembly in Hanoi yesterday.

Eight Americans and four others captured during the first attack of the PRG offensive last March are all alive and well under detention in the Central Highlands, reports reaching Saigon said.

Reuter, UPI

Thai withdrawal agreed

BANGKOK, June 4.

THE U.S. to-day told Thailand it saw no problems in Thai plans for the withdrawal of all American troops, Prime Minister Kukrit Pramoj said.

After a 45-minute meeting with Mr. Philip Habib, U.S. Assistant Secretary of State for Asian and Pacific Affairs, he told reporters he had stated his Government's wish to have all American troops out of Thailand.

"They said there would be no problems," Mr. Kukrit said. About 7,500 U.S. servicemen are due to be pulled out this month, leaving less than 20,000 men whom the Thais want out within a year. All 17 remaining B-52 bombers and 31 F-111 fighter planes will also fly out by the middle of the month.

Mr. Kukrit said they had discussed ways of improving Thai-U.S. relations, which have shown signs of strain in recent weeks, on the basis of strict equality.

● Vientiane: The last few dependents of the 142 U.S. Government personnel left in Laos flew out to Thailand to-day. U.S. sources said the number of American officials here would soon we cut to fewer than 100.

Reuter

Fighting in Ethiopia

BY OUR OWN CORRESPONDENT ADDIS ABABA, June 4.

REPORTS REACHING Addis Ababa speak of several days of heavy fighting between Government troops and followers of Sultan Ali Mireh in the east of the country near the border with the French territory of the Afars and Issas. The heaviest fighting is said to be centred in and around the town of Aseita. The headquarters of Sultan Ali Mireh before he fled to neighbouring Djibuoti with his family earlier this week.

Many people are said to have been killed and wounded on both sides and one report said Government aircraft had been brought into action against the Afar force.

There has been so far no indication of what started the fighting but the Afars, also known as Danakils, are known to be less than enthusiastic about the Government's land reform programme which effectively nationalised all rural land holdings.

HOME NEWS

Domestic appliance sales expected to drop 20%

BY SANDY McLACHLAN

DROP IN sales of up to 20 per nt. is forecast by the *domestic* pliance industry following the troduction in the Budget of e luxury 25 per cent. VAT rate cording to a National onomic Development Office rvey.

The survey was undertaken by working party of the Electrical ngineering Economic Development Committee. It shows that e industry regards introduction of the new tax rate as a trogade step and as a major ange in official policy, returng to the bad old days of the rchase tax system—when the mestic appliance sector was scriminated against and used a regulator.

On the evidence presented to *it by companies in the electrical* appliances sector, the working group of the EDC says that it is concerned about what it sees as "a serious setback to the *achievement of growth* and stability for the sector."

About half of the respondents indicated that they expect to revise their investment plans in the light of the VAT change. There is also "some disturbing evidence of companies cutting back, or abandoning, investment projects, involving a cut-back in employment."

The survey covers 49 companies in the domestic appliance sector. A preliminary analysis of results from the 10 major companies shows that the majority expect domestic demand to be down by 10 to 20 per cent., compared with previous sales projections. Some respondents were gloomier still and looked for a fall in sales of between 20 and 50 per cent.

Customs and Excise, which is responsible for the administration of VAT, yesterday moved *to prevent traders attempting to* charge a fee to the Department for acting as unpaid tax collectors for the Government. It issued a statement which pointed out that in law there is no provision for a VAT trader to receive from the Customs and Excise any amount in payment for the cost to him of meeting VAT requirements.

"*Therefore*, any VAT-trader who included such an amount in a VAT return would be furnishing an incorrect return. If this resulted in underpayment of VAT or excessive repayment, Customs and Excise would be bound to recover the sum in question and to consider whether an offence had been committed.

"Traders should be aware that the general effect of the VAT accounting arrangements is to give them an average 2½ months to obtain payment from their customers before accounting to the Customs and Excise. This operates particularly favourably for retailers who are trading wholly or mainly on a cash basis," the statement concludes.

Building societies net receipts £300m.

BY MICHAEL CASSELL

BUILDING SOCIETIES continued to pull in large sums of money from the investing public in May, although the record performance established in April was not repeated.

Provisional figures indicate that societies managed to attract something in the region of £300m. in net receipts last month, and although this would be well below the quite exceptional April total *of £406m., it would still rank* as the second-best monthly figure achieved. A year earlier net receipts reached only £93m.

Societies anticipated that the net receipts for June will show a further deterioration because of implementation of lower interest rates for investors from the beginning of this month. The rate of interest paid on Ordinary *shares fell from 7.5 per cent.* net (11.19 gross) to 7 per cent. (10.77) on June 1 and some adverse, though possibly temporary, effect on inflow is expected.

The index-linked savings scheme for pensioners was introduced this week, offering a rate of interest in line with the prevailing rate of inflation after the first year on sums of up to £500. *Next month further competition* will arise in the form of a save-as-you-earn, index-linked scheme offering similar interest rates to people willing to save up to £20 a month for four years or more.

The *societies* are *waiting* anxiously to see what effect the new schemes have on their ability to attract funds, although the possibility of an extension of such a concept, rather than the limited proposals so far announced, which is of greater concern to them.

The rate of mortgage approvals is running at record levels and the movement as a whole is committed to lending just over £1bn. But desipte the record volume of funds being sunk into the housing market, societies *report that they are still unable* to cope with the demand for loans. They expect to be able to do so fairly quickly.

There are signs that the societies' continuing ability to maintain high lending levels are at last persuading private housebuilders to step up construction programmes from one of the lowest levels recorded since the war. *Government figures show* new house prices likely to rise by around 12-15 per cent. this year, and although this will not compensate for the recent increase in building costs, the position is certainly more favourable than for some time.

Sheffield city council was told yesterday that its mortgage advances scheme for house purchase had been suspended but the decision would not affect applications already made. Councillor George Wilson, leader of the council, said the suspension followed information received *from the Government. If present* applications were granted the cash allowance in any case would be overrun.

Imperial workers' hopes rise

By Arthur Smith

HOPES ARE rising in Hull of a rescue scheme for the Imperial Typewriters factory, where workers have been conducting a sit-in protest since closure more than 15 weeks ago.

Workers' representatives travelled to London yesterday for talks with Department of Industry officials about the interest expressed in the future of the plant by a British marketing organisation.

The Department last night refused to identify the company but said "exploratory talks" had been held with the workers' representatives. The Hull men are expected to submit their final proposals for a rescue scheme to the Government in light of the talks.

The emergence of the unnamed marketing organisation could be *significant as the selling of the* typewriters, particularly to the U.S., has been seen as an important stumbling block for any new operation.

Imperial is a subsidiary of the U.S. company, Litton Industries, which announced in January that it was to close its plants at Hull with the loss of 1,400 jobs and at Leicester where 1,800 were employed. Workers at both factories have since been seeking Government backing for a rescue scheme.

Plans prepared by the Leicester workers, with the help *of management consultants* Urwick Orr and Partners, are already under consideration by the Department.

CBI guidelines on company disclosures

BY JOHN ELLIOTT, LABOUR EDITOR

A RECOMMENDATION that all companies should prepare at Board level a policy on the disclosure of information to employees and to trade union representatives was issued yesterday by the CBI.

The CBI also warned that "powerful and legitimate constraints" on the provision of information should not be regarded as justifying a generally restrictive approach.

"*Companies should bear in* mind whether the consequences of failing to provide information might not be more damaging in industrial relations terms than the dangers of such information becoming common knowledge," declared the CBI in its Industrial Relations Bulletin published yesterday containing the recommendations.

This is the first time that the CBI has gone so far as to state publicly what information companies should hand over, and in the Bulletin it lists the topics for possible verbal and written *disclosure under two main headings*. Under "information about the company as a whole," it lists the organisation of the company, finance, competitive situation and productivity, and plans and prospects. Under "information relevant to employment," it lists manpower, industrial relations, pay and conditions, and the immediate work situation.

*Tackling the contentious problem of the possibility of confi*dential company information being either intentionally or accidentally leaked by union officials and others, the CBI says: "Some bodies have taken the view that confidential information could be provided to selected employee representatives providing that the representatives were prepared to agree to keep *such information secret*. However, this could be extremely difficult for the company. On this issue there can be no generally applicable guide and for this reason companies must decide such questions for themselves."

Companies are also warned that "a piecemeal approach to the provision of information, or over selectivity as to what is to be provided, may be self defeating."

Ex-chief of Miles Druce ends GKN link

By David Bell

The former *chief executive of* Miles Druce, which fought a long and in the end unsuccessful battle against a take-over bid from GKN about 18-months ago, has severed all connections with GKN.

Mr. J. G. J. Tyndall, who promised at the time of the take-over to stay on until Miles Druce was successfully integrated with GKN, *intends to pursue other* interests including offering himself as a consultant to companies who wish to reorganise

Rise in demand seen for man-made fibres

FINANCIAL TIMES REPORTER

OME IMPROVEMENT in emand for man-made fibres by e autumn, and a sharp upturn rly next year because of the ed to fill an empty pipeline, ere forecast yesterday at the nnual meeting of the British an-Made Fibres Federation.

Mr. Cyril Colton, the retiring *airman of the federation*, said e industry had once again put an exemplary performance in e export field in 1974, increasg its sales by 30 per cent. and ving an export surplus of 3m. in man-made fibres, yarns d fabrics.

Mr. Colton's remarks come ortly after the industry pubshed its latest output figures owing that production in pril, as in the first three onths of this year, is running 25 per cent. below 1974 levels.

The depression affecting the dustry was blamed by Mr. olton on the worldwide textile lump, one of the effects of hich had been distressed sellg onto the more open textile arkets such as the U.K. The dustry was faced with inadeuate selling prices at a time hen huge rises were taking lace in the cost of raw aterials and labour.

Mr. Colton criticised the overnment's refusal to accept he British textile industry's ase for temporary restrictions n low-priced imports and he aid the assisted stockpiling cheme that had been suggested macked more of a hastily rafted reply than a carefully thought out policy.

He said it was difficult to see how any assisted stockpiling scheme could work in an industry with 60 per cent. of its output going into fashion goods.

Mr. Colton is to become president of the federation following his retirement yesterday as chairman. He is being succeded as chairman by Mr. Bill Barnes, a director of Carrington Viyella and president of Eurocoton, the organisation embracing European producers of cotton and allied textiles.

● Statistics published in the bulletin, Textile Organon, suggest that some revival in demand for man-made fibres may now be taking place in the U.S. April shipments of synthetic *fibres at 270.6m. lbs were 16 per* cent. above the 232.4m. lbs in March and the highest since September 1974. January-April shipments this year at 889.4m. lbs were 24 per cent. less, however, than for the same period last year.

ALL CHANGE AT FORT WILLIAM

BRITISH RAIL is transferring its passenger facilities at Fort William to a new Transport Centre half a mile from the old station next Monday.

When complete, the centre will include a bus station and a Highlands and Islands Development Board Tourist Office. The project is sponsored by the Scottish Development Department and involves the construction of a new ring road and demolition of the existing rail and bus stations.

Leyland in tools supply talks

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

PROBLEMS WHICH might arise over the supply of U.K.-made machine tools to British Leyland, when it begins its major investment programme have been discussed at a meeting between representatives of BL, the Machine Tool Trades Asociation and the Department of Industry.

The MTTA asked for the meeting to establish, first, whether the BL demand *for* machine tools will be as great as the machine tool manufacturers have been expecting, given the £200m. it will have to spend.

Apparently the company still has to finalise its ideas, but Mr. Howard Barrett, director general of the MTTA, said last night: "We now know that there will be a reasonably steady investment pattern *as far as* machine tools are concerned and that the investment will be of some significance."

The MTTA put forward the idea that, in view of the scale of proposed expenditure, the BL investment programme could be used to counter the worst effects of the cycle of demand which the machine tool industry has to suffer.

It was realised, however, that this was only one factor that the company might take into account when deciding on the *timing of investment*.

"All we can hope for is that it will be possible for the phasing of the order input to be favourable from our point of view," said Mr. Barrett.

There are to be further meetings as and when the BL programme is finalised.

The machine tool industry is among the major sufferers from the demand cycle. In the past *years there has been a 67 per* cent. difference between the peak of demand and the lowest point of the trough.

Last week Mr. Tony Galliers-Pratt, retiring president of the MTTA, suggested at the annual meeting that the U.K. industry might not be able to cope with the demand produced by BL.

Behind his remarks was a feel*ing that, if orders were not* carefully planned, they might appear as last-minute rush jobs and be placed in the cyclical boom years rather than in the slack ones.

Ideally, the machine tool makers would like to have a clear indication well in advance of what type of equipment is likely to be needed.

Mr. Galliers-Pratt's statement *last week* caused a *good* deal of comment — not the least among some senior machine tool managers who questioned whether it should have been made. BL also took the view that the investment programme would present a marvellous opportunity for the U.K. machine tool industry and was surprised to find it described as a possible "*problem*."

Talks between the MTTA and BL have apparently re-established a reasonably friendly relationship between the two organisations.

Robert Maxwell loses Scottish News post

BY CHRIS BAUR

THE FIRST signs of strain egan to show yesterday in the orkers' co-operative directing he month-old Glasgow Scottish Daily News, which was launched ith a £1.2m. Government loan.

At its first shareholders' meeting since the paper went on sale he publisher, Mr. Robert Maxwell, who has invested about 125,000 in the project, was relected as a member of the overning works council, but as not reappointed co-chairman f the enterprise.

Mr. Maxwell later said he had hought his reappointment as o-chairman, with compositor Mr. Allister Mackie, would be automatic, but Mr. Mackie reminded im that he had resigned from his post some time ago.

Mr. Maxwell's re-election to the six-member works council came after a seventh nomination was added to the list of candidates. Mr. Maxwell's re-election meant that he ousted the engineering representative, Mr. James McNamara.

He admitted that there had been disagreements between himself and shop-floor representatives of the co-operative. These concerned his views on increasing circulation and advertising content. The disagreements would not affect his investment in the project.

The "audited figure" for the paper's circulation in its first three weeks gave a daily sale averaging 233,000, he said; though there have been indications that the sale has since fallen well below that figure.

HOME NEWS

Property deals reflect further investment upturn

BY JOHN TRAFFORD, PROPERTY EDITOR

SIGNS of an upturn in commercial property investment were further strengthened yesterday by news of three purchases totalling nearly £7m.

A pension fund has bought from the quoted property developers Argyle Securities an office block called Avon House North in Bristol. The price was about £3.5m., which makes the deal one of the largest recently announced. The biggest deal for months, announced yesterday, was Norwich Union Life Insurance's purchase for £6.7m. of the interests of Taylor Woodrow and Capital and Counties Properties in Birmingham's New Street Station shopping complex.

Asda Securities in association with Sun Alliance and London Insurance group have sold their newly reconstructed office block, Chiswick Green House, West London, to the building contractors George Wimpey for £3m. Wimpey intends to use the building to house 250 or more staff needed to handle its much increased overseas workload. The company already has many offices in and around Hammersmith.

At Braintree, Essex, a pension fund has bought a modern freehold office block, let to Essex County Council, for more than £300,000.

P.O. plans £250m. boost for international phones

BY OUR INDUSTRIAL EDITOR

THE POST Office is to spend £250m. over the next five years on improving Britain's international telecomunications links.

The investment will nearly triple the number of telephone circuits which link Britain with the rest of the world, increasing them from to-day's 7,600 to 20,000 by 1980.

Mr. Michael Ford, head of marketing and service development in the PO's external communications executive, yesterday explained that the programme was needed to enable the Post Office to keep ahead of the "staggering" growth in telephone calls.

Each year they increased by 30 per cent., equivalent to doubling every four years, he said.

Over the last five years the Post Office has spent £90m. in boosting telephone switching and transmission capacity. Mr. Ford said at "Telecommunications '75," an international conference and exhibition being held in Brighton.

Nuclear credit bank is now fully established

BY MICHAEL BLANDEN

A SPECIALISED consortium bank to provide international financial services in nuclear energy development has been set up with Barclays Bank International as the U.K. participant.

International Nuclear Credit Bank, formed last December, is now fully established. A wholly-owned subsidiary of International Nuclear Finance Holding in Luxembourg, the bank is headquartered in Paris. Its initial capital is F.Frs.10m., fully paid, and its chairman and chief executive is M. Maurice P. Bonnet.

Initially the bank will be concerned with major capital projects in connection with nuclear power. But it has much wider terms of reference, embracing the finance of all stages of the development of fissile material from exploration and the development of uranium mines to the construction of conversion, enrichment and reprocessing plants, together with the development of new applications in nuclear technology.

The bank is backed by a group of international banks, each holding 10 per cent. of the Luxembourg parent. Besides Barclays, they are Algemene Bank Nederland International, Banca Nazionale del Lavoro, Bank of America, Banque de Bruxelles, Banque de L'Union Europeene, Banque Nationale de Paris, Dresdner Bank, Sumitomo Bank and Union Bank of Switzerland.

Too little punishment says Lord Lawton

BY A. H. HERMANN

LORD JUSTICE Lawton said too little use had been made of punishment over the past 70 years. When he delivered the ninth Riddell Lecture in London yesterday.

He said the gradual reduction of reporting on criminal proceedings by the Press, meant the erosion of information that helped form public opinion and bring "all aspects of rottenness in the lift of the community" under examination.

Lord Lawton made it clear that a judge, when sentencing, had to pay attention to public opinion. Esteem for the law was lowered when sentences were considered too lenient but if they outraged public opinion by being too severe a criminal might be turned overnight into a martyr.

He illustrated the judge's dilemma with the example of baby stealing. When sentencing a child stealer the judge was not entitled to speculate what led the offender to her actions. He must base his conclusions on the evidence. There might be psychiatric evidence which explained why the crime had been committed and to what extent, if at all, the offender could control her impulses.

Those who have uncontrollable impulses should not be punished for what they were impelled to do but women who could or would not control their impulses to take other women's babies were a menace and the public was entitled to protection. Judges had a duty to provide the protection. If the offender was mentally ill the best protection lies in hospital treatment, but the decision was for the doctors not judges.

Lord Lawton said judges could not give the lead to the public unless they could communicate with them. The only channel of communication was the Press. The public interest might be aroused if a judge's comments were reported and judges had to rely on the press, television and the radio for most of what they know about the development of public opinion when sentencing.

Lord Lawton said he would like to correct the mistaken ideas some journalists and television commentators had about the judiciary and the law.

He said one of these mistakes was the view that judges were drawn from the monied classes and had been educated at the leading public schools and at Oxford and Cambridge.

In his view judges represented nearly all sections of the population and knew how their fellow citizens thought and lived, probably better than other sections of the community. They learned about life in the armed forces, as young barristers and as judges visiting factories and coal mines.

IN BRIEF

Hijack brigade

A Vehicle Observer Corps—a voluntary body representing local hauliers, traders and companies interested in vehicle security—has been established in Northampton by the Road Haulage Association, to help the police track down stolen vehicles.

Resin process

Ciba-Geigy has modified the manufacturing procedure for its Araldite MY720 epoxy resin, following an explosion and fire last November at its multipurpose plant in Duxford, Cambridgeshire.

An iquiry into the accident has shown that the explosion followed a chemical reaction of the product, the stability of which had been reduced by the addition of an insufficient quantity of caustic soda.

Complaint upheld

The BBC programmes complaints commission has upheld part of a complaint by Mr. J. E. H. Simon, owner of land in Wales, on a BBC-1 programme entitled "Who Is Buying Up Britain?" broadcast last November.

Mr. Simon claimed that a letter of his was used on the programme without authorisation, and that this was an "unjustified infringement" of his privacy.

Less rubber

Worldwide production of synthetic rubber fell by 3.9 per cent. ot 5.4m. tonnes last year, according to the International Institute of Synthetic Rubber Producers.

Shipments fell by 8.6 per cent. to 5.2m. tonnes. The figures exclude Eastern European countries and Cuba.

Corruption charge

The former managing director of a firm of contractors and a Gateshead councillor both pleaded not guilty at Newcastle Crown Court yesterday to charges of corruption over building contracts. Mr. Cyril Albert Rance, 67, consultant, of Walsham Close, Felpham, Bognor Regis, Sussex, is charged with corruptly giving £600 in May, 1968, to Thomas £600 in May, 1968, to Mr. Thomas Gerrard Herron, 51, of Kingsway, Sunnyside, Tyne and Wear, in consideration of favours shown or to be shown to Epsom-based Carlton Contractors.

£8m. plan to improve Heathrow's Terminal 2

By Michael Donne, Aerospace Correspondent

THE BRITISH Airports Authority is to spend £8m. on improving Heathrow's Terminal Two. The work, due to be completed by 1977, will include an extended airline check-in area, new forecourt entrances, repositioned escalators and stairs, and improved access to car parks.

Terminal Two is used by the foreign short-haul airlines and there have been many complaints over congestion, causing delays to passengers and flights.

The terminal was the first to be opened in the central area more than 20 years ago, and has been swamped by the expansion of traffic. Last year, more than 5m. passengers used it, and by the early 1980s the figure is expected to exceed 9m. a year.

Bottlenecks

The terminal was once the most modern in Europe, but the BAA said yesterday that, the changing pattern of air travel had overtaken many of the original design concepts.

"The alterations are planned to help eliminate bottlenecks and other deficiencies, improve standards for travellers and increase the capacity of the building," it stated.

"We have to carry out the programme while the terminal is being used," said Mr. Ted Tanner, the BAA's manager for Terminal Two. "But we shall complete the work as quickly as possible."

Architects for the programme are Pascall and Watson, and the main contractor is Costain Construction Company.

Equality demand at Women's Institute jubilee

FIERY SPEECHES on equality marked the diamond jubilee annual meeting of the National Federation of Women's Institutes at London's Albert Hall yesterday, attended by 6,000 delegates.

Moving a resolution to pledge the Institute to work for equality, Mrs. Pat Batty Shaw, from Norwich, said: "The resolution does not imply that women are biologically equal. Nor does it imply that women may not remain in the rome and give full-time care to their families if they so wish.

"But it is committing us to saying that men should also have this right, and questions concerning home responsibilities being shared are ones to be settled personally between those concerned."

In another resolution, agreed by an overwhelming majority, the meeting urged the Government to set up clinics where any woman could receive breast cancer screening.

More U.S. investment in Scotland

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

AMERICAN industrial investment in Scotland is continuing to grow, according to a survey published yesterday by the Scottish Council (Development and Industry).

The survey says that in the year to the end of 1973 investment by 116 U.S.-controlled manufacturing companies reached nearly £268m., an increase of £41m. over the previous year.

Employment increased by nearly 10,000 to an estimated 92,000—which represents almost 14 per cent. of Scotland's manufacturing workforce.

In the previous 10 years, says the council, investment increased by more than 150 per cent. and some 40,000 new jobs were created. American owned companies now account for one-third of Scotland's exports and nearly one-third of its engineering industry workforce.

The concentration is particularly heavy in mechanical engineering (26.5 per cent. of total employment), electrical engineering (39.5 per cent.) and instrument engineering (44.5 per cent.).

The survey says that with the single exception of office machinery manufacture, U.S. companies proved to be a more reliable source of employment than the rest of manufacturing industry, advancing faster in growth sectors and even growing substantially in the otherwise declining sectors of chemicals and pharmaceuticals.

Since 1960, roughly one in every five new companies coming to Scotland has been of American origin and 43 per cent. of these have been located in and around Glasgow, where they now account for over 14 per cent. of the manufacturing workforce.

The survey adds that U.S. investment will certainly have risen substantially since 1973, with the growing involvement of American companies in supplying the offshore oil and gas industry.

One of these companies, Daniel Industries of Houston, Texas, announced yesterday that in its first year of operating its Scottish factory at Larber, Stirlingshire, it has increased its turnover from £300,000 to £4.7m. The company designs and manufactures electrosonic control systems for the measurement of liquids and gases.

Lucas to test 15 types of battery-powered vehicles

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

A DETERMINED bid to win the race to produce a fully competitive system of battery-operated vans and trucks is being made by the Lucas group, which is beginning a major series of field trials.

In the next few weeks more than 15 types of commercial vehicles up to two tons gross weight will be going to selected operators.

Their performance in hilly terrain, city centres and suburbs will be monitored and compared with conventional vehicle.

The publicity over rival Chloride's 50-seater "silent rider" bus being accepted into service at Manchester earlier this year tended to overshadow Lucas's achievement of putting a 34-seater single decker into service with the same authority just ahead of Chloride.

Sophisticated

Although Chloride, in collaboration with the electricity council, is developing a sodium sulphur battery, both buses are powered by lead acid batteries, and the race is keenest in the technological development in this field.

The "silent rider," a bigger bus than the Lucas one, has a range of 40 miles and a top speed of 40 mph, with acceleration comparable to a normal diesel unit.

The Lucas bus has a range of more than 100 miles, and covered the 86 miles from Birmingham to Manchester at an average speed of 30 mph. Its top speed is 45 mph.

The vans and trucks being tested will be powered by the latest versions of lightweight high energy density batteries of sophisticated design, said to cut running costs to half those of a comparable diesel-engined vehicle.

Initial vehicle costs, of course, are still much greater, but the higher price of oil has helped to make running costs more attractive. In the long term, pollution is expected to result in greater favour for electrically operated vehicles.

AIRMAIL LINK FOR N. SEA COMPANIES

An airmail service linking the North Sea gas and oil communities at Gt. Yarmouth, Aberdeen and Peterhead was launched yesterday from Norwich Airport.

A joint venture between Air Anglia and the Post Office, it will provide the first express postal deliveries for North Sea exploration companies with bases in East Anglia, the North East and Scotland.

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Wilson: More jobs and better ones

BY JUSTIN LONG

THE BRITISH people must take an historic choice to-day, Mr. Harold Wilson declared as the campaign closed last night. He called for a resounding "Yes" vote as the best for Britain, Europe, the Commonweath and the wider world.

A "Yes" vote would be best for Britain because membership of the Market meant more jobs and better jobs, the Prime Minister said at Cardiff.

Summarising the main reasons for staying in the EEC, he emphasised the better terms achieved in the renegotiations.

Our partners had accepted that national governments were the best judges of what was right to protect their workers—to create new jobs, stop migration from the hard hit areas, to prevent the loss of jobs.

But a "Yes" vote would also be best for Britain because the unfair burdens of the Common Market budget had now been redressed, Mr. Wilson maintained. He set himself to hammer home the other arguments put during the pro-Market campaign.

He pointed again at the market of 200m. people to whom we could sell our goods without having to climb over a tariff wall. He spoke of Britain's freedom to conduct her own regional policies, and the "massive" European Regional Fund which had been negotiated—out of which the U.K. would get £60m. over three years for use on regional development.

Britain was still a nation whose voice and experience counted, Mr. Wilson said. "That influence, that significance in world affairs will be powerfully enhanced by a 'Yes' vote for Britain to stay in the European Community."

Alongside the Prime Minister, Mr. James Callaghan, Foreign Secretary, also stressed that the moment of great decision was at hand.

The anti-Marketeers had not even tried to show that jobs would be safer if we were outside, Mr. Callaghan contended.

"A free trade arrangement by definition means that you cannot cut off imports into your own country.

"So how does a free trade area (as advocated by the anti-Marketeers) improve the job situation? It cannot do so.

"The anti-Marketeers have blown themselves up with their own explosives," the Foreign Secretary declared. "They have not been able to produce a single significant policy which the Government has been prevented from carrying out.

The Government had been perfectly free to legislate for on all points in its manifesto.

"For Britain to-day the road to international co-operation is best served by being a member of the Community."

The poll: How it will work

BY JUSTIN LONG

POLLING TAKES place between 7 a.m. and 10 p.m. to-day. Sir Philip Allen, chief counting officer, will be assisted by about 1,000 officers in making the return for the City of London and 32 London boroughs at Earls Court.

For the 68 counties or regions in England, Scotland, Wales and Northern Ireland, their chief executives will be responsible for the local returns.

When the booths close, their first task will be to match the ballot box contents against the returns of presiding officers. But the count will not start anywhere until 9 a.m. to-morrow.

Ballot papers will be counted so that observers from the rival campaign organisations cannot estimate the result. Each county will announce its own result and inform Sir Philip in London so that the national poll may be compiled.

The announcements will be in five parts: the total number of votes, the number of servicemen and wives included, the number of "Yes" votes and of "No" votes, and the number of rejected papers.

Sir Philip has said that he would consider a recount if the majority were less than 150,000 when all votes are in.

The first result is expected about lunch-time to-morrow—from the Isles of Scilly. A flow of results is expected during the afternoon and by early evening the national tally should be almost completed.

ITV in News at Ten will begin forecasting the result shortly after the polls close to-night. The forecast will be made from a poll conducted by Opinion Research Centre which will canvas 10,000 voters at 150 polling stations all over Britain.

U.K. tops price rises

BRUSSELS, June 4.

BRITAIN NOTCHED up the Common Market's highest monthly and yearly rate of price rises last month, according to the latest figures published to-day by Community authorities.

Prices rose 3.8 per cent. in Britain last month amounting to an annual rate of 21.7 per cent. up to the end of April this year.

Italy was close behind with a yearly rate of 20.4 per cent. and a rise between April and May this year of 1.3 per cent.

West Germany had the lowest rates, only 0.8 per cent. between April and May, and an annual rate of just 6.1 per cent.

Detailed figures were as follows (percentages only—April to May this year, and April last year to end April this year):

Germany	0.8	6.1
France	0.9	12.7
Italy	1.3	20.4
Holland	1.3	9.8
Belgium	1.1	14.4
Luxembourg	1.2	10.8
Britain	3.8	21.7
Denmark	0.4	11.9

Ireland (November, 1974, to February, 1975, and February last year to end February this year)—6.1 and 23.9.

Reuter

A STRANGE TOGETHERNESS

An unlikely alliance . . . Mr. Michael Foot (right) covers his face in thought as he shares yesterday's "antis" Press conference platform with Right-wing Tory MP Mr. Ronald Bell.

Abysmal 'Yes' campaign—MP

FINANCIAL TIMES REPORTER

A PRO-MARKET MP complained yesterday that the national campaign to win "Yes" votes had been so abysmal that it had probably only increased the number of abstentions.

Mr. John Pardoe, Liberal MP for North Cornwall, said in Launceston: "If referenda were won or lost by the competence of those who lead the debate on either side, the result on Thursday would be a landslide victory for the "No" campaign.

Leaders of the "Keep Britain in Europe" campaign had allowed themselves to be "bogged" down in endless statistical arguments in which they have almost always come off second best. The result is that they have bored the pants off the country and probably substantially increased the abstention.

Mr. Pardoe added: "*Advised by an army of public relations hacks and with their campaign coffers loaded with gold they have thrashed around in an expensive Euro-fog. Pedestrian and boring, they have never once given even a glimmer of the glory or the European feast.*

"When asked about the real stuff of political unity they have skated round it with half hearted apologies about 'it not happening in our lifetime.' With people like this in charge it wouldn't happen for a thousand years.

"Far from stirring the hearts and minds of the people, these men couldn't even stir a Christmas pudding and would make Henry V's call to arms sound like an invitation to a whist drive.

"These men have learnt nothing new about Europe since Harold Macmillan's first excursion 12 years ago. He, too, tried to enter Europe by sleight of hand. He, too, thought that if he concentrated on the economics, the politics would take care of themselves.

"When will they realise that nothing is accomplished in politics without passion?" asked Mr. Pardoe, adding, "And of that, they have absolutely none.

"What our present leaders should have learnt from Mr. Macmillan's experience is that if the European debate is about the price of butter the British people will be tempted to say 'you can keep it'."

When he voted "Yes" Mr. Pardoe said, it would certainly not be a vote for the Keep Britain in Europe campaign.

"It will not be a vote for the European Economic Community. It will not be a vote for the Common Market. It will be a vote for the United States of Europe, with a firm commitment to go on and fight for full political integration.

"Without that commitment Europe is nothing. Without that commitment, people can not be united."

£10,000 worth of Noes

LADBROKES yesterday accepted bets totalling £10,000 6 to 1 for a "no" vote, as a result of which they have amended the odds to 1—7 yes, 5—1 no.

Ladbrokes also opened a book on the percentage of the poll. They bet over 60 per cent., 4—7, less than 60 per cent. 11—8.

Jenkins wants big turnout to put issue beyond doubt

BY JUSTIN LONG

PRO-MARKETEERS in an eve-of-poll rallying call for a decisive vote in to-day's referendum, yesterday acknowledged their only misgiving about the result—that the poll might be less than adequate to settle the issue.

"What the 'No-Men' hope for is a low turnout and a relatively narrow margin on the basis of which they can continue the struggle," Mr. Roy Jenkins, Home Secretary, said at the final Press conference of the Britain in Europe Campaign.

If this happened, uncertainty about Britain's future would be prolonged, and we should be prevented from playing an effective, constructive and influential role within the Community.

If, by chance, the vote were to go wrong, Britain would get up next Monday morning in a state of economic confusion and danger.

"Investment and export plans would be disrupted," declared Mr. Jenkins. "The outlook for employment and inflation would be further worsened. And we would have to face a large and rapid cut in our standard of living—for we could not then expect others to go on financing our overseas deficit."

This message was echoed by Mr. Edward Heath, former Conservative leader. If, by mischance, there were a "No" vote to-day, a whole new dimension would have been added to our present danger, he said, "and we would feel the significance of this within a matter of days," he added.

"It is vital for our good name that we should bring to a decisive end the European debate which has now lasted for more than twenty years in this country."

Outlining his view of the way the Community would develop, Mr. Heath foresaw direct election of MPs to the European Assembly. He did not think MPs of the U.K. Parliament could long continue to act as our representatives in Europe as well. The dual role would be too heavy.

"There should be opportunities for those elected to the European Parliament to attend the U.K. Parliament," he suggested. "They would not have the right to vote in the House of Commons, but they could explain to the Commons what was happening in the European Parliament."

Although little had yet been done to evolve such a system, Mr. Heath considered that work upon it should begin quickly after the referendum.

Mr. Jeremy Thorpe, Liberal leader, on the platform alongside the other pro-Market party spokesmen, considered that keeping Britain in Europe was now about to move to the second stage. This would be to mould Europe to our aims—"to make it more democratic—certainly by direct elections to the European Parliament."

'Bunk' verdict no answer—MP

LEFT WING Labour MP Mr. Brian Sedgemore yesterday hit back at Mr. Denis Healey's "bunk" verdict on anti-Market job loss claims.

Mr. Sedgemore said: "I very much regret the Chancellor's statement, which was infantile. He has simply not tried to answer the argument.

"These figures about the threat to jobs are part of a serious economic debate. Economic professors have addressed themselves to the very detailed statistical arguments that have been put forward."

No-one was suggesting that if Britain had not entered the Community there would now be some 500,000 fewer unemployed. The argument was rather about jobs that had been lost, were being lost, or could not be created.

"The Chancellor is simply playing politics with other people's jobs," added Mr. Sedgemore.

HOW OUR PARTNERS SEE US IN THE PRESS

● PARIS

Shut your eyes and think of Britain

BY RUPERT CORNWELL

PARIS, June 4.

IT IS ONLY in the last two or three days that the French Press has begun to report seriously on the referendum. But in spite of the strong suspicion that the French were secretly praying for a No vote to rid the EEC of Britain, her economic problems and her Labour Party, the attitude of the newspapers here has been positive.

For varying reasons most hope that Britain will opt to stay in. None have much admiration for what they feel to be devious manoeuvring by Mr. Harold Wilson in calling the referendum in the first place, and all stress that a Yes vote will on its own do nothing to solve the nation's difficulties.

Les Echos, the business daily, yesterday claims that the U.K. "simply cannot afford the shock to the pound and to industry" that withdrawal would entail. "Shut your eyes, think of the country and vote," is its advice to the electorate across the Channel.

The fullest coverage has come from the conservative daily "Le Figaro." After interviews earlier with Mr. Roy Jenkins and Mr. Neil Marten, the eminent French journalist M. Alfred Fabre-Luce argued that a Britain outside the Common Market, sheltered behind a siege economy, would be a blow to the entire "Free World."

"A victory of the extreme Left would make the U.K. a super-Portugal" he says, "less convulsed, less militaristic and more advanced certainly, but having abandoned traditional democracy. All other considerations are secondary and despite the differences between France and Britain we must hope for a Yes. We are in the same adventure, we are all Europeans."

Le Monde has been its usual weighty self in the past three days. It has carried a lengthy article warning of the risk of regional splintering that a No vote would bring, and to-day examined the economic background to the poll.

Indeed its chief economic pundit, M. Paul Fabra, barely mentions the word referendum in his piece. He comments that the most worrying aspect is the "climate of demoralisation and resignation."

Inflation has not been an inevitable consequence of the disappearance of the famous British "sensciviqne," but rather of errors of economic policy, especially in the last two years of the Heath administration.

● ROME

Giving a balance

BY ANTHONY ROBINSON

ROME, June 4.

ITALIAN NEWS and comment on Britain's EEC referendum has had to compete for Press space with coverage of President Ford's visit to Italy and developments in the regional election campaign, but the Italian papers have still devoted considerable space and prominence to the referendum.

Italy was strongly in favour of Britain joining the Community in the first place and this sentiment remains. A La Stampa editorial to-day succinctly explains why.

"We still believe in the profound vitality of the democratic spirit, individualism and anti-bureaucratic attitudes of the British and hope that they will spread throughout the Community. We also believe that Britain's continued presence will balance the EEC against a Franco-German supremacy.

It warns, however, that if Britain left the EEC "it could be the first act of a catastrophic sequel of events and collapse which could also spell the end of British liberty."

The editorialist clearly could not resist a dig at those anti-Marketeers who fear the competition from Europe, including Italy. The Italians are accustomed to seeing their country as "a pot of clay between two pots of iron" and find it gratifying, but slightly puzzling, to be implicitly included among the latter

To explain the reasons behind anti-EEC feeling, La Stampa refers to "the extraordinary, brand-new sense of insular inferiority and fear—for the first time in its history England doubts itself, its institutions, its wisdom, its very future."

The Italian papers' view is that the U.K. should remain in the EEC, "not because a united Europe will automatically resolve any of our problems—indeed the solutions have still to be invented — but because divided, we will not resolve anything, especially if we choose to remain divided out of fear of looking reality in the face, seeking safety in an unrealistic national isolation or thinking that, faced with a dangerous and unsure path, one walks better blindfolded, feeding on dreams and fantasy."

● BRUSSELS

'The sudden ageing of U.K. democracy

BY DAVID CURRY

BRUSSELS, June 4.

IT BRINGS out starkly into the light of day, La Libre Belgique commented sadly, "the sudden ageing of British democracy." This comment highlights the two aspects of the British referendum which have caught the most attention in Belgium.

The first is simply the fact that a referendum is to be held at all. Belgians, under a monarchy closely modelled on the British, have been brought up to believe in the "myth" of the British constitution and that myth of the Parliamentary two-party system is now under severe strain.

The second is the sadness of the economic context in which the referendum is being held. Belgian Radio, which devoted a great part of its Saturday commentary to the referendum ten days ago, prefaced its remarks with a portrait of Britain which read like an obituary—inflation at more than 20 per cent, wages running at 30 per cent. up, production no higher than in the famous three-day week, balance of payments deficit.

Two other aspects of the referendum have drawn commentary. Leaving aside the fears that a British withdrawal will precipitate the collapse of the Brussels residential property market, the spectacle of the dissolution of party lines in the campaign has been much emphasised, with the Heath-Jenkins-Thorpe axis. (Mr. Heath is still the best-known U.K. figure here) receiving much attention.

The anti-Marketeers have been dubbed the Socialists in the Labour Party and some commentators have pointed out that Europe as a whole has an interest in seeing whether their contention that the EEC is basically incompatible with a Socialist society is valid.

The regional aspects of the battle have also attracted coverage in a country which is itself painfully split between the French and the Dutch speakers and where politics revolves around this linguistic division.

The Irish, Scottish and Welsh attitudes—particularly the Irish situation which itself mirrors certain aspects of the Belgian division—have been discussed at some length.

● BONN

Germany sees more problems for U.K.

BY NICHOLAS COLCHESTER

BONN, June 4.

THE WEST GERMAN public's deep seated interest in the intricacies of politics has been well catered for in the German Press's coverage of the British referendum.

The basic message this week is that although the pro-Marketeers have very probably won, this victory does nothing to solve the problems of Britain and could burden the EEC with an unstable and unenthusiastic participant.

At a rather flat moment for German political news, the referendum is, of course, a "good story" for the German reporters and a crowd of them have flown to England to supplement the already substantial squad of German journalists in London.

The referendum is the "peg" and on it can be hung accounts of an undeniably fascinating political situation, and a grim picture of Britain's problems to titillate the "schadenfreude."

The Koln Stadt-Anzeiger runs a full account of the decision facing a British working-class family called the Bowdens. The core of their problem is that they have, up till now, been good Labour Party voters, but over the issue of Europe they don't know what the "real" party thinks.

They can make no sense out of the argument over unemployment, and they are going to vote "yes" because they trust Harold Wilson's judgment.

● WASHINGTON

U.S. spots campaign gimmickry

BY GUY DE JONQUIERES

In recent days some major U.S. newspapers with London correspondents have dispatched them to the provinces to report on voter attitudes at the grass roots. Most accounts tend to follow the findings of the opinion polls and cautiously assume a "yes" vote.

In search of the colourful and unusual, many American reporters have fastened on to Mr. Wedgwood Benn, who has received probably more coverage of late than any other British politician.

There has been little analysis of the economic arguments for or against Britain's membership and the Washington Post's London correspondent recently dismissed them as "dreary and inconclusive."

But the lengths to which pro- and anti-Marketeers have gone to rustle up evidence to support their case have given rise to several humorous and mildly derisive reports. "Gimmickry" was the description used by the New York Times in a recent headline.

In the eyes of most U.S. correspondents and their editors, while withdrawal from the EEC would be undesirable, even catastrophic, a "yes" vote will not do much to solve Britain's problems either.

This point was put succinctly and gloomily by Dr. Vermont Royster in a recent column in the Wall Street Journal. Noting that the referendum will have a decisive bearing both on economic questions and on "Britain's very future," he concluded: "Whichever way the vote goes, it will show a country deeply divided, not only on the immediate Market issue but about the very shape of society.

"The one question will be settled on June 5. The other will continue to wrack the country because, in all truth, the British people do not know what they want their country to be."

What did the campaign look like to Britons based abroad? **Reginald Dale** flew from Brussels to make his assessment while **Robert Mauthner** returned to the West Midlands from Paris to investigate reactions in the final fortnight

The missing honesty

I MUST start by declaring an interest. I am a (disenfranchised) pro-Marketeer, who has spent the last seven years reporting the activities of the EEC in Brussels. That said, and having followed the referendum campaign in Britain for several days this week, I am bound in all honesty to report that the Community I know is much more like the one described in the pro-Market propaganda and speeches than the alarming creature portrayed by those in the anti ranks.

There are harmless eccentricities—one Hampshire hairdresser I met cannot be argued out of the conviction that the Rome Treaty allows German riot police to invade Britain to put down civil disturbances. But more generally, and much more seriously, I have found that anti-Market propaganda seems often deliberately to misrepresent the real nature of the Community as it now is. It is, for example, palpably untrue that the EEC is already well on the way to becoming a European super state, as I have heard alleged—although, personally, I wish it were.

It is also hair-raisingly false to state, as the official "No" pamphlet does, that policies, rules, laws and taxes are already being decided "often by the unelected Commissioners in Brussels."

But it seems to me that the pro-Marketeers have not been wholly honest with themselves either. In trying to counter all the arguments about sovereignty and loss of national independence, many of them have been forced to deny the very principles they ought to believe in. There is no need to worry, they say, the Community is not supranational, the national veto remains supreme, and nobody is ever going to be forced to do anything they do not want to. For genuine "Europeans" this must be a most uncomfortable position.

In Brussels, it is clear to nearly every *orthodox* "European"—and there still are many—that it is precisely because central direction is lacking that the Community has not so far been the success it should be. If the EEC has until now failed to react convincingly to the world energy and economic crisis, it is largely because member states have been pursuing their own interests at the expense of their partners, and central discipline is virtually non-existent. Indeed, many national governments are also aware of this, as the hesitant steps being taken to moderate the power of the veto and increase the role of the European Parliament testify.

It is equally clear that after a "Yes" vote in the referendum, the other Eight (with the possible exception of Denmark) would want Britain to adopt a more positive attitude on these issues. And yet, to me, one of the most striking aspects of the referendum campaign has been the total unwillingness by both pros and antis alike to talk seriously about the situation after to-day's vote, regardless of which way it goes. The only honourable exceptions I came across were the Liberals, who remain firm in their conviction that European economic and political integration must be intensified.

I asked Mrs. Margaret Thatcher if the Conservatives would be more enthusiastic for European integration after a "Yes" vote. "The way forward is likely to come more in the framework of arrangements in the Council of Ministers than through change in the institutions," she replied delphicly. For many people in Brussels and among the other Eight that will not be enough—even assuming they understand what she means.

But the failure of the antis to put forward any form of real alternative to the Community has been even more staggering. Mr. Enoch Powell says that all Britain's problems can be solved by "self-reliance" and a return to the trading patterns of December 31, 1972.

Throughout the "No" campaign, there has been an underlying assumption that Britain is different from, and basically superior to, other countries. Indeed this is an essential premise in the logic of the anti case. How else can they counter the arguments that France, Germany, Italy and the others are happy and thriving inside the EEC? But few people go on to ask whether it is not precisely because we take such a pride in being different that we are so much worse off than our European neighbours.

Reginald Dale

A matter of 'them' and 'us'

THERE can be little doubt that, in spite of all the complaints about saturation and spewing out of indigestible facts, the national television coverage of the referendum campaign had had its effect.

True, meetings around the West Midlands addressed by local MPs, trade unionists and even members of the Government continue to be poorly attended. A few examples are: no more than 350 for Lord Home, Mr. Michael Stewart and Mr. Jo Grimond in Birmingham two weeks ago, a maximum of 300 for Mr. Enoch Powell in Birmingham earlier this week, 250 to 300 for Lord Wigg and Mr. John Gilbert, Financial Secretary to the Treasury in Dudley two nights ago, 80 odd for local MPs Miss Betty Boothroyd and Mr. Peter Archer, and only 30 or 40 for Mr. Nick Budgen, Mr. Powell's successor in Wolverhampton, South-West.

One exception, however, was an anti-Market rally last Saturday—a march through the centre of Birmingham led by Mr. Anthony Wedgwood Benn—which attracted 2,000 to 3,000 according to the organisers.

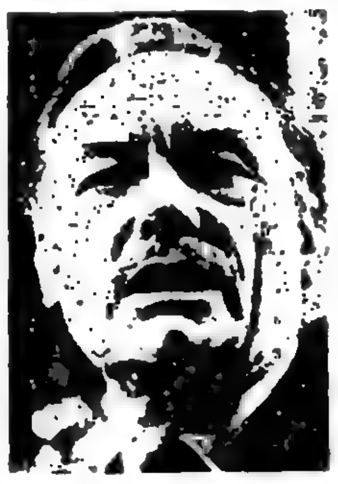
Whether these generally poor turn-outs are a reflection of the "vast lethargy," as one "keep Britain in Europe" organiser put it, of the West Midlands as far as the referendum is concerned or whether it is the result of having everything served up more appetisingly and comfortably on television, is a moot point. What is certain is that I found many more people in the factories and shopping areas who had made up their minds one way or the other, than I did last time.

At a meeting addressed by Miss Boothroyd, the dynamic pro-Market Labour MP for West Bromwich, West, in a local weighing-machine factory, only two or three people put up their hands when the speaker asked the 200 or so employees present how many had not yet decided which way to vote. With the approach of polling-day, there was also much less talk than last time about the acceptability of a referendum as a device to test the country's views. In an odd sort of down-beat way the West Midlands has begun to wake up rather late in the day to the importance of the country's choice to-day.

People there, as elsewhere in Britain, have not had things made easy for them. Miss Boothroyd has promised them that they will be "reduced to dancing round maypoles for the entertainment of overseas visitors" (what? in *West Bromwich?*) if Britain leaves the Common Market, while Mr. Powell has forecast, with alarming alliteration, that the country "will lapse into the limbo of lost nations" and "fall under the tutelage of the effete and the decrepit" if it stays in.

They have been buffeted between those who claim that we will all *starve* to death if we stay in the Community because food prices will be so high that we will not be able to afford to eat and those who maintain that prices have actually gone down as a result of the Common Agricultural Policy.

Unemployment, in a region where it has reached something like 3.7 per cent., has been a big issue and has, of course been exploited to the full by the major unions like the Engineers and Transport and General Workers, which rule the roost in the big factories such as British Leyland, and which attribute the high number of workless entirely to Common Market membership. But the big anti-Market unions have not had things all their own way. Company managements have weighed in with their own propaganda on the "Keep Britain in" side.



Mr. Enoch Powell, the former Wolverhampton MP, returned to the West Midlands to warn that the country "will lapse into the limbo of lost nations."

One of the most spectacular efforts in this field has been by GKN, which last *Friday*, sent a memorandum and a "facts" leaflet to its 85,000 U.K. employees' home addresses telling its workforce why it should vote "yes" in the referendum. "Shades of Joseph Chamberlain," Enoch Powell thundered the other night, but the fact is that the message sent by the GKN chairman, Mr. Barrie Heath, warning his employees that Britain's untimely exit from the Common Market could gravely imperil their jobs, has not fallen on unfertile ground. The counter-productive effect of having the "boss" tell you which way to vote has been offset by the belief of many workers that there is more than a grain of truth in the message.

What is true of the bigger companies is even truer of the smaller concerns which do a substantial proportion of their trade with Europe. In the hundreds of small companies which are typical of the West Bromwich and Walsall regions, relations between management and workers are much closer than in the big companies, and the sense of identity of interest much greater.

The area's Asian immigrants, too have "moved" and the view of representatives of their various communities is that a much higher proportion of local immigrant leaders than was originally thought likely will advise their flock to vote "yes." The reasons for this are complex and qualified by all kinds of doubts regarding the status of British Asians in other members of the Community. In the last resort, however, it again comes down to jobs, economic prosperity and the Community's attitude towards Asia and Asians. The EEC social fund's £2.5m. grant for the training of immigrant workers in Britain has made a most favourable impression locally for instance.

Not a few immigrants, however, find it difficult to equate their own interests with those of the host country. "If I were British, I would vote to stay in the Common Market. But since I am Pakistani, I will vote against," I was told by one.

"Them and us." The theme is not so very different from the one heard every day when talking to men and women in the West Midlands. The majority will probably vote "yes" in the end. A poll taken over the last few days by the *Birmingham Post* found that of nearly 800 people questioned in the Birmingham area, 57 per cent. intend to vote "yes," 29 per cent. "no" and 14 per cent. were still "don't knows." But the pro EEC visitor from Europe cannot help feeling sad that most of those in the West Midlands who will be voting to *stay* in the Community will be doing so for the wrong reasons and will continue to be nagged by fears that "them" in Brussels will be laying down the law for "us" in Britain.

Robert Mauthner

Two 'shadow' Cabinet members want No verdict, Antis claim

BY DAVID LASCELLES

MR. EDWARD DU CANN'S claim that Conservatives are deeply split over Europe was backed yesterday by Mr. Hugh Simmonds, chairman of Conservatives against the Treaty of Rome.

He told the anti-Marketeers' Press conference that two "shadow" Cabinet members and at least 12 Tory MPs were voting "Yes" even though they thought Britain should leave the EEC.

He also knew of party members outside Parliament who were not going to vote according to their true beliefs. The total figure, Mr. Simmonds suggested, could amount to a significant portion of the Conservative party.

Opinion

One of the "shadow" Cabinet members involved knew that he would be making this statement, Mr. Simmonds said. But he denied that he was making it with general consent, or as a concerted move on behalf of the party members involved.

Mr. Simmonds refused to name names. "I don't know whether they are acting out of a misplaced sense of loyalty to the party, or out of some misguided desire to save political skins, but I believe these facts should be known," he said.

Mr. Simmonds was among 12 people crammed on to the platform as the anti-Marketeers made their final assault of the campaign. They included three Cabinet Ministers, MPs of most shades and trade unionists.

According to chairman Mr. Neil Marten, they were confident that the tide of opinion was going their way and that victory would be theirs.

Mr. Peter Shore, Trade Secretary, said the central issue was whether a nation of 55m. people, with all our wealth and resources, could continue to be an independent country in the world to-day. It was absurd to argue that it could not.

Mrs. Barbara Castle, Social Services Secretary, said Britain should ask itself which was the fastest growing market in the world to-day. It was not the EEC or the U.S., but the oil world, and Britain should be free to direct its trade where it wanted.

Mr. Jack Jones, leader of the TGWU, produced what he claimed to be examples from his mailbag showing how jobs had been lost directly because of EEC policies.

Both sides claim lead in Scottish campaign

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

BOTH THE opposing camps in the Scottish referendum campaign predicted yesterday that they would be victors in eight out of twelve of Scotland's regional and island authorities.

Campaign managers on each side appeared to be in broad agreement that there was a likelihood of a "Yes" vote in South-west Scotland, Orkney, Fife and the Borders, and an equal possibility of a "No" vote being returned by Shetland, Western Isles, Tayside and Lothian.

There was no agreement about the prospects in the huge Strathclyde region which accommodates roughly half of Scotland's 3.7m. electors or in the central region, Highlands and Grampian, where each side claimed to have the upper hand.

At their eve of poll Press conference in Glasgow, pro-Market leaders warned that public apathy noted during the campaign might lead to a low poll. Mr. Russell Johnston, the Scottish Liberal Party chairman, spoke of the "eerie silence" he had found at some public meetings.

One of the main Scottish anti-Market organisations, the Scottish National Party, stated that a Scottish "No" vote was essential to maintain pressure on Westminster for a strong Scottish Assembly. It said that opinion polls showed growing popular suport for a powerful Assembly with wide-ranging taxation and industrial powers.

Powell in Heath-land warns on identity loss

BY JOHN HUNT

A WARNING that a vote for the Market is a vote to end the independence of Britain for all time was given last night by Mr. Enoch Powell in an impassioned eve of poll speech in Mr. Heath's own constituency of Sidcup.

Within a few minutes of Mr. Heath starting the first of his two final campaign meetings at a Sidcup school Mr. Powell—his bitter enemy of long standing—opened fire before an anti-Market rally at a nearby cinema.

Mr. Powell devoted almost his entire speech to the sovereignty issue and claimed that if we sank our identity in the EEC we would soon lose all control over our own future.

According to Mr. Powell, this was no vague and indefinite threat. It would follow rapidly upon a "Yes" vote for the Market.

In this event, there would soon be a directly elected European Parliament which would not merely concern itself with minor matters. It was laid down in the treaty signed by Mr. Heath that it was intended to achieve economic and monetary union as a means towards political unification.

Mr. Powell maintained that a directly elected European Parliament on these terms could not be denied paramount control of all aspects of our monetary and economic policy, public expenditure, taxation, debt, employment, deflation and inflation.

NALGO staff refuse poll duty

By Our Walsall Correspondent

COUNCIL OFFICIALS were yesterday trying to find emergency staff to superintend referendum polling stations at Stafford following a decision by the town's local government officers not to co-operate in the count.

A council spokesman said it was possible that many polling stations might not be able to open unless replacement staff was found.

The Stafford borough branch of NALGO has decided not to co-operate with the referendum count because of their national dispute over pay. Other branches of NALGO in the county were due to meet last night to decide whether to withdraw their co-operation.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSES

Outlook brighter on reflection

CHROME PLATED products should be having an even brighter look by the end of this year when a new plating process is expected to be widely used in U.K. industry.

Although the customer will notice a number of advantages, such as a deeper colour, easy cleaning, no haze with age, and better corrosion resistance, the company which developed the process, Albright and Wilson, considers that it has even greater benefits for the user.

Called Alecra 3, the process is described by the company as "the most significant advance since chromium plating began in the 1920s." It is based on the trivalent chromium plating system instead of the conventional hexavalent chromium (chromic acid). The method has been known for some time, but this is claimed to be the first commercial and production-proven trivalent process available.

From the environmental viewpoint, the process is a considerable advance on current methods. Chromic acid plating produces a toxic corrosive spray, not present with the Alecra 3 system.

The latter cuts process cost, because fume extraction requirements are not as critical, separate spray suppressants are eliminated, there is no skin ulceration hazard, and trivalent chromium is less toxic

Effluent

With Alecra 3, coping with waste effluent is simplified and costs reduced, as an alkali treatment is all that is required.

Albright and Wilson says the throwing power is extremely good, the deposit is more uniform and there is no build-up on the edges of components. Recessed areas can be plated at a high rate, without overplating on the edges, simply by raising the current density.

Even with the use of higher current densities there is no "chrome burning" and no need for special jigging or the use of "burner wires." Corrosion resistance is stated to be improved in low current density areas (recesses). The deposit is haze-free immediately from the bath, and no blooming develops with age.

Repeated current interruption during plating with Alecra 3 does not result in the expected "white washing," reducing reject rate.

The deposit produced with the process is microporous and microcracked, and is stated to meet the requirements of BS1224 in both crack and pore density, without using special additives.

The maker is at P.O. Box 80, Oldbury, Warley, West Midlands (021-552 3333).

Precision etch unit starts up

THE DUTCH company Veco Zeefplatenfabriek which specialises in high precision photo etching and electroforming has started a U.K. marketing subsidiary, Veco at 36, Essendene Road, Caterham, Surrey, CR3 5PA (Caterham 46062).

The company has an advanced manufacturing unit in Holland and has developed and manufactured much of the necessary production equipment. A typical example is a photographic step and repeat machine capable of an ultimate accuracy of ±1 micron over lengths in excess of 20 cms.

Products include micro-precision sieves, precision perforated nickel parts for filtration and separation, nickel printing screens and precision etched lead frames for integrated circuits.

Marks made on big mouldings

HOT FOIL marking on to large raised areas of mouldings used in the motor car, domestic appliance, radio and television industries is the specific purpose of the Comet IIIAA machine introduced by Phillips Bros. and Ellis, 11, Charterhouse Buildings, London EC1M 7AU (01-253 8181). Marking of trim, dials, panels and facias are typical applications.

The maximum marking area is 610 x 305 mm (24 x 12 inches) and the construction allows the centre of a 610 mm (24 inch) item to be marked. Direct action with a duplex air cylinder provides full compensation for variations in moulding thickness, and fine pressure control.

Marking stroke is 75 mm (3 inches), which allows recesses to be marked, provides a clearer view and avoids pre-heating of the foil. Fine stroke adjustment assists in prolonging the life of the silicone rubber pads or dies used, and reduces the set-up time.

Other features include air operated side-to-side foil feed, foil tensioner and full electronic control of temperature and dwell time.

Controls industrial programs

AN EQUIPMENT that will control up to four programs simultaneously for logic and timing functions in industrial, scientific and commercial processes has been introduced by Stonefield Electronics, Station Road, Southwater, Sussex (0403 731143). The company claims that the need for a minicomputer can be obviated.

The programs can operate interactively or independently and there is also a four function arithmetic ability. Over 32 program steps enable the unit to write, erase or modify complex logic and timing function programs at the flick of a switch.

Elapsed time or time to completion measurements can be controlled either from external sources or by the programmer's ten internal four digit timers, each of which can be reset repeatedly during a program.

Teletype machines can be connected and there are also modem and computer interfaces enabling control of the unit from a remote main processor, together with all controls, displays and power facilities for driving up to 1,000 digital or analogue input/output channels. The unit is claimed to be as simple to operate as any card, film or tape programmer.

● MATERIALS

Bi-axial shrink film

SHRINK FILM which is claimed to be suitable for collations, irregular shaped articles and deep-sided items where a bi-axially oriented film is required, is being marketed by the Goodyear Tyre and Rubber Company.

Called Hi-slip SFT-X, the film is 17.5 microns thick and can be obtained from the film packaging division at Fordhouses, Wolverhampton (0902 22321).

Hi-slip SFT Monax shrink film, already available in 17.5 micron gauge is now available in 15 micron and both films have been further formulated to give greater sealing and strength characteristics, the company announces. The SFT 15 micron film can be supplied in both flat and centre-folded form.

Compound 2 Vitafilm in 19 microns has been reintroduced, and skin packaging film grade CP has been further extended to include 150 and 200 micron gauge.

● ELECTRONICS

Recorders given more power

DANALOG by Micro Consultants of Caterham, Surrey, allows up to 256 channels of information to be recorded on virtually any standard instrumentation recorder, including Bell and Howell, Ampex, SE Labs, and Sangamo equipment.

Danalog uses a pulse-code modulation recording technique which, with 16-bit precision analogue to digital conversion of the input signals, gives the user a recording system capable of high resolution, wide bandwidth, and a great variety of operating modes.

For example, Danalog allows monitoring of TV video signals with the recorder running at 40k bit/in and utilising all tracks. Taking the other extreme, Danalog can sample 100 strain gauge signals/per second on a single record track and at a tape speed of 15/16 in/s.

Micro Consultants, Interface House, Croydon Road, Caterham, Surrey CR3 6QD. Caterham 48921.

● METALWORKING

Metal bar threaded fast

A STUD and rod planetary thread roller, known as the 75AH, capable of handling round bars up to 30 ins. long, at speeds up to 400 parts per minute, threading both ends simultaneously, has been developed by the Prutton Corp., U.S.

The machine has automatic feeds with the stock moving side by side rather than end to end. Long parts or U-bolts can be handled rapidly either through recycling or moving them through two machines set in tandem. Diameters from 0.06 to ⅝ inch can be threaded. A sensor controlled magazine regulates the parts flow.

A prototype unit was used for thread rolling rod which was then formed into coat hangers. The user, prior to the introduction of the 75AH, was thread rolling 30 per minute with a hand-fed operation. Now, with the automatic feed, production is running at 350 per minute, says the company.

It is marketed in the U.K. by Funditor, South Way, Wembley, Middx. HA9 0HE (01-902 3022), a Lamson Industries Group company.

Packaged automation for drills

DESIGNED ORIGINALLY for use in the company's own works, a pneumatic system to automate the operation of light drilling machines has been developed by Mead Fluid Dynamics, Chalmers Way, North Feltham Trading Estate, Middx., TW14 0UH (01-890 0971), a subsidiary of Stanray Corporation, U.S.

Fitted to multi-spindle drills it enables one operator to control two or more machines. Most types of drill can be converted, requiring the drilling of only a few holes to attach the system. It develops a thrust of 800 lbs at 80 psi air pressure, and has an adjustable feed rate from ¼ to four inches/minute with fast approach and peck feed facilities.

Drilling depth is controlled by adjustable trip dogs, and the depth of peck feed by a pneumatic timer. Air consumption is about 0.5 cfm/cycle. Operated by push button, the cycle resets when set drilling depth is reached or the emergency button is pressed.

One of two Caterpillar lift trucks fitted with slag handling equipment designed and manufactured by Bowmaker of Watling Street, Cannock, Staffs., and supplied to IMS Lycrete which is operating the machines at the British Reinforced Concrete Engineering Co.'s plant in Birkenhead. The machines are handling slag from a steel billet manufacturing plant. The slag handling attachment picks up a pot of slag and carries the molten load just over 200 yards. To avoid danger from accidental spillage on to the tyres and machine, the truck travels in reverse. To prevent the splashing of molten slag when the pot is tipped, the attachment is fitted with two hydraulic tilt cylinders. These allow the cauldron to move through an arc very slowly, allowing the contents to pour out of the pot with the minimum of splash. All hydraulic lines operating the attachment are filled with a water glycol solution as opposed to the normal hydraulic fluid in order to eliminate fire risk in the event of spillage. To avoid punctures, a rubber compound called Tyrfil has been injected into the tyres in place of air. The compound is injected into the tyres until it reaches the correct pressure and does not harden but stays in a resilient state to give shock absorption.

● CONFERENCES

Automated factories

A ONE-DAY seminar on the Japanese programme for computer-automated factories will be held at the Chapman Building of the University of Salford on July 2.

Organised jointly by the Salford University Industrial Centre and the Department of Mechanical Engineering of the University, the seminar will include a lecture by Dr. M. Eugene Merchant, Director of Research Planning at Cincinnati Milacron Inc., Ohio, U.S.A., and visiting professor at the University of Salford.

He will describe the Japanese national programme on "Methodology for Unmanned Manufacturing," which will involve extensive government funding and is aiming for an operational prototype "unmanned" factory by about 1980.

Attendance fee is £5, and further details can be obtained from Graham Robinson, Commercial Manager, Salford University Industrial Centre, University Road, Salford, M5 4WT, (061-736 8921.)

Seals for engineers

A SHORT course on Fluid Sealing Techniques is being held by BHRA Fluid Engineering from July 29 to 31 for plant designers and engineers, maintenance engineers and draftsmen.

Soft packings, rubber and mechanical seals, and gaskets will be covered, and elastomeric and non-elastomeric sealing materials will be described. Seal failure, the economics of failure, and less conventional seals will be the subjects of two other sessions. A set of course notes is included in the tuition fee, and the programme gives opportunities for discussion.

BHRA will be running a more advanced course on sealing techniques immediately prior to its 7th International Conference on Fluid Sealing which will be held at the University of Nottingham from September 24 to 26.

Further details of both courses and the conference are available from the Course Organiser, BHRA Fluid Engineering, Cranfield, Bedford, MK43 OAJ (0234 750422).

● DATA PROCESSING

More COM activity

MICROGEN is installing a new Datagraphix 4500/150 computer output microfilm unit with its existing COM facilities on July 1.

This new unit, together with the Datagraphix 4460 and Pertec 3700 it is already using, will enable Microgen to provide the broadest COM service in the United Kingdom, the company asserts.

The installation of a Datagraphix 4500/150, which has its own built-in computer with 48K bytes of core, means that Microgen can supply its clients with fully titled and indexed microfiche from any computer print tape without the necessity for the client to make inconvenient program or software changes.

Meanwhile, Lowndes-Ajax has taken delivery of a second COM unit from Agfa Gevaert.

This new Pertec installation will enable the company to meet vast anticipated growth in COM. It thinks the COM market in the U.K. "hasn't really taken off so far, but that more and more companies are now expressing interest."

This latest installation brings the total of COM units installed and maintained by Agfa in the U.K. to 26, and consolidates the company's position as Britain's leading supplier, Agfa says.

First 2903 for resale

CRB is to sell an ICL 2903 computer, the first to be offered on the used machine market.

The specification includes processor and video console, 100K MOS store, two entry stations, VDU's printer, card reader, 9.8m. character disc store, etc.

The system was first installed in November 1974 at an original cost of £84,000 (since which time prices have increased) and it is available for immediate delivery at a price of £55,000.

CRB is at Broadway Chambers, 20 Hammersmith Broadway, London W6 (01-748 0106).

● INSTRUMENTS

Gauges flow temperature and speed

THERMO - ANEMOMETER GGA23S available from Wallac Controls enables air flow rate, velocity and temperature, surface temperature and the temperature of liquids, semi-fluids and granular material to be measured by one instrument with a set of interchangeable probes.

Applications include ventilating and air conditioning systems, central heating, refrigeration chambers and cold stores, bearing and machine temperature monitoring and surface temperature indication.

Measuring ranges are 0.1 to 30 m/sec for air velocity, 20 to 1,500 cubic metres/hour for air flow rate, −30 to +180 deg C for air temperature and also for surfaces, liquids and semi-fluids.

The combined air velocity and temperature probe is a nickel resistance hot wire type which is very sensitive at low velocities. Surface, capsule, steel blade and needle probes can also be supplied.

The nickel probe has the advantage that a change from air velocity to temperature measurement is simply a matter of turning a switch. The probe is compensated for ambient changes from −10 to +100 deg C. The company is at 112 Bartholomew Street, Newbury, Berks. (Thatcham 65429.)

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LABOUR NEWS

Seamen's leaders to meet over pay talks deadlock

BY ROY ROGERS, LABOUR CORRESPONDENT

EADERS of Britain's 40,000 seamen meet to-morrow to decide whether to continue to seek a negotiated settlement to their deadlocked pay talks or call damaging strike action.

This became clear yesterday when the National Union of Seamen's negotiating committee decided to refer to the union's executive without recommendation the whole issue of the deadlocked pay negotiations.

Conciliation attempts by the Advisory, Conciliation and Arbitration Service have proved abortive with the employers, the General Council of British Shipping, refusing to raise their 30 per cent. "final" offer and the NUS sticking rigidly to their original demands. These include a £40 basic rate for a 40-hour week and improved overtime—which the employers maintain would add 81 per cent. to their wages bill.

Yesterday Mr. Jim Slater, left-wing general secretary of the NUS, who has adopted a conciliatory attitude throughout the negotiations, said that when the 18-man executive committee meets to-morrow it would have four options before it.

These involve using the ACAS machinery for mediation, arbitration, an informal inquiry similar to those held recently on disputes involving Austin Morris engine tuners at Cowley and London dockers, or strike action.

There have been no clear indications of which way the executive is likely to vote as it is finely balanced between moderates and Left-wingers, several of whom, like Mr. Slater, were among the group of "tightly-knit, politically motivated men" spotlighted by the Prime Minister, Mr. Harold Wilson, at the time of the 1966 seamen's strike.

Under the employers' £28m. offer, average earnings for a foreign-going able seaman would increase from £59.25 to £70.35 for a 67-hour week including "new money" of £11.10 or 18.7 per cent., and the consolidation of £4.40 a week cost-of-living threshold payments already being made.

But the offer would only lift the consolidated basic rate from £25.44½ to £33.46—far short of the £40 NUS target.

Last night Mr. Slater said his members had made it clear that they were "far from satisfied with what the owners were offering up till now."

GEC offers £4.40 in six-month deal

BY CHRISTIAN TYLER, LABOUR STAFF

A PAY deal running for only six months was offered yesterday by GEC to some 2,500 of its manual workers in the power engineering division.

The offer—one of the first of its kind in the present pay round—was put to shop stewards at the division's Stafford plant yesterday.

Worth £4.40 a week to all the workers, it is being recommended to a mass meeting to-day. An earlier offer of £5 a week paid in two stages over eight months was rejected, and the men threatened to strike from Monday. Now, if the men accept, their negotiators can come back for more at the end of November.

A company spokesman said that management preferred on principle to deal with simple cash increases over a short period than to become involved in a longer deal with built-in cost of living protection.

The offer appears to be worth less than 20 per cent. at an annual rate, although the company would not disclose its cost on the wage bill.

Meanwhile, in a separate dispute, about 30 employees, including three area managers, turned up for a picket of GEC's Kirkcaldy factory in Fife.

The protest was organised by Association of Scientific, Technical and Managerial Staffs, representing some 5,000 GEC Telecommunications installation staff all over the country who claim to have been locked out over their claim for pay parity with equivalent Post Office workers.

ASTMS is hopeful of a new offer from the division, which is based at Coventry.

Prior urges profit-sharing plan to raise incentive for workers

BY OUR LABOUR CORRESPONDENT

SUGGESTION that workers in nationalised industries be given an opportunity to participate in some form of profit sharing or share ownership scheme came yesterday from Mr. James Prior, Opposition spokesman on employment.

Addressing an Industrial Participation Association, Mr. Prior suggested that such a scheme might inject some incentive for the workers and provide a refreshing change from the "dreary story of State monopoly and inevitable loss."

He also amplified his doubts about the Government's proposed legislation to introduce industrial democracy through a two-tier Board system.

Urging companies to draw up their own codes of participation and not wait for the "heavy band of a legal framework of law," Mr. Prior said: "I feel that when the Government do it they will get it wrong."

Industrial democracy could not be grafted on at the top of an organisation, there had to be consultation all the way through the organisation if such ideas were to have any value.

Warning that a Yes vote in the referendum would be no panacea for all Britain's problems, Mr. Prior said he believed they could only be overcome by a great degree of participation by everyone in industry.

AUEW row over postal voting moves into court

BY OUR LABOUR CORRESPONDENT

THE CONTROVERSY over the Amalgamated Union of Engineering Workers' decision to abandon postal balloting for the election of officials moves into the High Court to-morrow.

Notices of various applications for injunctions were served on by solicitors representing Mr. John Weakley, one of two delegates disqualified from voting at a recent rules revision conference leaving AUEW president—Mr. Hugh Scanlon—to use his casting vote to end the postal balloting system.

With his injunction Mr. Weakley seeks to prevent the union's annual conference opening on June 16 unless he is reinstated as a delegate. He also wants to restrain the union from holding any further ballots other than under the old postal system and to secure his own reinstatement to the union's rules revision and policy-making national committees.

Basnett calls for curb on price increases

BY LORELIES OLSLAGER

THE GOVERNMENT must act to restrain prices, if necessary by brief limitation of price rises, and bring down unemployment as its contribution towards maintaining the social contract, Mr. David Basnett, general secretary of the General and Municipal Workers' Union, said yesterday.

Adressing the union's annual conference in Aberdeen, Mr. Basnett also held out the prospect of some wage moderation—perhaps through restricting demands to flat rate increases on earnings—as the union's contribution towards a revamped social contract.

At the executive's urging, the conference rejected by a fairly narrow majority of 202 to 173 votes to call for a minimum rate of £40 for a 35-hour week.

Instead, it approved a resolution insisting upon the maintenance of present levels and standards and calling for an improvement in the opsition of all lower paid workers.

Mr. Basnett argued that implementation of that demand, which is being pressed by other trade unions, would bring the rate of "new money" wage cost increases up to 40 per cent. compared to 19 per cent. being achieved in the current round of pay settlements, when the cost of threholds is not included.

This was not a realistic policy, Mr. Basnett declared. The trade unions could not ignore the economic implications of their wage claims.

Outlining the GMWU's thoughts on the future of the social contract, Mr. Basnett said one possibility for containing inflation and improving Britain's investment performance was for the Price Commission to allow price rises above a certain level only if the company concerned substantially increased its investment.

There must also be stricter supervision of prices at local level.

But if measures such as these did not work, then consideration should be given to limiting increases to certain levels, perhaps for a period of three months.

"This may be the only way out of the spiral said Mr. Basnett, who also urged the need for selective import controls.

Leyland workers gird up for policy participation

BY PETER CARTWRIGHT

SHOP STEWARDS from British Leyland plants yesterday took the first steps towards calling for much wider employee participation in the company than was proposed in the Ryder Report.

The stewards' immediate objective is to have workers' representatives jointly deciding—as opposed to merely being consulted about—investment, production and marketing policies with top management of the car and bus and truck divisions. This will be urged on the company at a meeting soon.

They are not—at this stage—looking for seats on the Board at the corporate level, nor do they want worker directors at lower levels.

"What we want is maximum accountability," Mr. Bob Wright, national executive member of the Amalgamated Union of Engineering Workers, declared after a meeting of national union officials and shop stewards in Birmingham. "We certainly don't want the German two-tier system of worker participation, but we do want to be in a position to be able to control and influence corporate decision-taking and policy making."

The working party is to be enlarged to include all the main blue and white collar unions at British Leyland factories. It will meet the British Leyland Board, together with Sir Don Ryder and Mr. Harry Urwin, assistant general secretary of the transport union, who was a member of the Ryder Committee.

Electricity Council staff vet 15-month pay offer

BY CHRISTIAN TYLER, LABOUR STAFF

THE ELECTRICITY Council has offered its 52,000 white-collar workores a 15-month pay agreement which union negotiators are now costing out to see if it matches the 30 per cent.-plus settlements for electricity supply manual workers and power engineers.

The council is not revealing the percentage value of the offer, which is further complicated by proposals for a new pay structure.

Cash offers to various grades—some firm, some not—will be considered at next week's annual conference of the National and Local Government Officers Association, on the main union involved. Talks are due to resume the following week.

Meanwhile, NALGO yesterday spelt out its industrial action plan for possible use if local authority employers do not move on their "social contract" 21.7 per cent. offer in reply to a 35 per cent. claim at renewed talks after the conference.

Delegates will consider a programme of "creeping" strikes in town hall departments starting with a national one-day strike of the 400,000 staff and followed by strikes in 10 authorities, with 10 added each week.

But the plan depends on a ballot of the members, giving the union's negotiators extra time for further talks.

German line denies scrapping Channel service

THE GERMAN TT shipping line yesterday denied reports which emanated from Hamburg that it had given up plans to run a cross-Channel ferry service with its vessel the Mary Poppins.

The ferry was being used for short runs in the Baltic pending the outcome of further negotiations which resume to-day with British and French unions who have been opposing the service.

Printers for ACAS

The Advisory Conciliation and Arbitration Service has been successful in bringing Sharmans, the Peterborough printing firm, and the National Graphical Association to fresh negotiations on the dispute which has closed the company's plant for the past fortnight. The row centres on the introduction of new computerised machinery and has delayed publication of a new evening paper.

ACCOUNTANCY APPOINTMENTS

SOLICITOR OR ACCOUNTANT

A qualified Solicitor or Chartered Accountant in his late 20's or early 30's is required by a leading City merchant bank. Preference will be given to a candidate who has had experience of Corporate Finance work or similar commercial experience. His main duties will consist of advising the bank and its customers on Bank of England and Treasury regulations. The most important qualities required are initiative, drive and the capacity to accept responsibility. Salary will depend on ability and experience.

Applications, stating age, experience and present salary to:

Box T.4133, Financial Times,
10, Cannon Street, EC4P 4BY

Any companies to whom the application should not be sent should be clearly printed on the back of the envelope.

Group Chief Accountant
circa £6,000

Saphir Sons & Company Ltd., one of the leading horticultural marketing organisations in the UK, wish to appoint a Group Chief Accountant who will be located at their headquarters office in London. The company, which has an annual turnover in excess of £25M, provides a total service covering marketing and ancillary services and has some 20 wholesale branches throughout the UK and a number of associated companies engaged in different levels of distribution.

The Group Chief Accountant will report to the Group Company Secretary/ Financial Controller and be responsible for the co-ordination of all financial and accounting matters, with special emphasis on developing the company's accounting procedures, the preparation of periodic accounts and ensuring that realistic budgets and profit plans are set.

The successful candidate, preferably in his early thirties, will be a qualified accountant with at least 3 years' accounting experience in a commercial company using modern planning and budgeting procedures. Experience of supervising accounting staff and practical experience of EDP is essential. He should offer personal qualities and dedication essential to maintaining and improving financial systems and controls in a flexible fast moving business, employing tough trading management. There is scope for advancement throughout the organisation leading to board appointments. The commencing salary will be negotiated at about £6,000 per annum.

Candidates should write for a personal history form quoting reference MCS/1825 to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD.

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National Executive Search, a U.S. based executive search firm now offers a unique relocation service designed to assist qualified executives to make a logically planned career move in the geographic area of your choice.

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For an accurate assessment of your value in today's international market place and to explore what N.E.S. can do for you, please write now, including a telephone number where you can be contacted, outlining your background and objectives. If it is felt that N.E.S. can honestly assist you in achieving your objectives, arrangements can then be made for an initial confidential interview in London, Geneva or Madrid.

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Manager-European Treasury
A banking and finance professional
up to £8,500

Rockwell International, a leading name in the world of manufacturing and technology is among the largest and most successful multi-national companies—with interests in the automotive, aerospace, electronics, consumer, utility and industrial fields.

The Company is seeking an executive who will be the manager of their European Treasury Office with the responsibility for European cash and investment operations based in West London.

A background and good experience in the following areas will qualify you for consideration:—

* Accounting and/or cash management in a multi-national organisation.
* Some banking experience.
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These qualifications will call for a dynamic man with high professional standards and a strong sense of individual responsibility.

As a career opening this post must be unrivalled in opportunity. Rockwell's finance world is broad-based, flexible and structured to carry its best men to the top.

An initial salary of up to £8,500 p.a. is offered, together with the blue chip benefits you'd expect from an organisation of Rockwell's stature and performance.

If you match up to this challenge and would like to make your mark in a competitive and stimulating organisation, write with full details of age, experience, qualifications and salary history quoting reference number 100 to C.A. Hudson, Rockwell International, Bechtel House, 245 Hammersmith Road, W.6.

Rockwell International

Group Taxation Manager

around £10,000 + car & benefits — London based

Our client intends to appoint a taxation specialist, to give his undivided attention to tax planning, administration and policy at group level and below. This is a new appointment and offers ample scope for a man of suitable calibre to make a real contribution to the success of this international group.

With turnover in the region of £200 million and trading profit of about £11 million before tax, the group consists of various operating divisions and numerous subsidiaries. It has enjoyed steady growth and improved profitability over the past decade, and intends to follow this pattern into the future.

The position requires maturity, mastery of taxation affairs and a presence and confidence that command respect at the highest level.

The successful candidate will be a chartered or certified accountant, aged between 35 and 50, who has achieved success in tax matters preferably in a large and diversified group.

The initial salary will be negotiable around £10,000.

Please send concise details of career and salary progression, in confidence, quoting reference 470/B, to:

A. C. Crompton,
Deloitte, Robson, Morrow & Co.,
34 Farringdon Street, London EC4P 4DL.

Chief Accountant
-who is both futurologist & historian
c. £7,000

■ The requirement is for a Qualified Accountant aged 30-35 who has had real experience of what is usually referred to as American style financial control in manufacturing (ideally engineering) companies. The job is clear cut and reports to the Financial Controller. Financial and cost accounting with a staff of 35 are direct responsibilities of the Chief Accountant.

■ Key tasks will be to design, "sell" and implement improved financial control and reporting systems for the use of line managers. This will lead to tight meaningful controls, improved costing systems to meet the objectives of cost reduction and profit improvement. There is a systems development programme under way based on a Burroughs 3500 and management information applications will be included.

■ The Company is a very successful and growing manufacturer of capital goods with a turnover which has already reached £60 million. Some of the support services have to run hard to keep pace with growth, and are fighting fires *en route*. Being a hard-nosed commercial outfit, it is not the intention to build a large financial department in leisurely pursuit of ultra-refined systems but to add practical strength and professionalism by this appointment.

Salary will be around £7,000 with generous fringe benefits and a helpful re-location policy to the West Midlands headquarters.

■ Please apply in confidence giving brief details and quoting Ref: 1588/FT.

LCM Leslie Coulthard Management
Brettenham House, 14 Lancaster Place,
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Controller
c. £9,000

A £45 million international service industry company, our client is remarkable for having grown substantially every year since it started in Europe in the mid 60s. It needs a Controller for its £12 million UK company. Although directly responsible to the European Controller his prime task will be to advise and counsel the UK Chief Executive and his management.

The ideal candidate will be a qualified accountant, aged 35-40, with experience in a sophisticated international company. He must be able to work with young, thrusting people and to meet strict accounting schedules. Preferably, he will be someone who can justify early promotion.

Salary is negotiable, there is a significant bonus scheme, a car is provided and other conditions are in line with accepted good practice. Location is near London Airport but a move slightly further out is envisaged within the next year.

Please apply in confidence, quoting Ref. No. 445/FT and stating experience, age, qualifications and present earnings to:—

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8 Oxford Street, Nottingham.
SELECTION CONSULTANTS
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Financial Director
Designate

The client is a diverse British Group with a wide spread of commercial and industrial interests at home and abroad. A Financial Controller is required for one of the U.K. companies, which manufactures and markets high technology instrumentation. Appointment as Financial Director will follow 12 months successful performance in the initial post.

An aggressive expansion of its interests abroad is critical to the success of the company's short-term plans. The new financial man must therefore be capable of a key role in shaping future overseas commercial policy as well as exercising effective financial control over current business operations. Applicants in their early 30's are most likely to have the particular mix of experience and energy needed for this very demanding post. All candidates must be professionally qualified.

Salary indicator £8,000, plus bonus related to profit achievement. Company car and usual benefits. Location southern England.

Please apply in strict confidence, quoting reference number 1634, to Clive & Stokes, 14 Bolton Street, London W1Y 8JL.

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Appointments & Personnel Consultants

Financial Controller
(Director Designate)
circa £8,000+car

William Whittingham (Holdings) Limited, a public group of companies with house building, industrial contract building, property development and colour film processing interests wish to appoint a Financial Controller (Director Designate). The location of the appointment is in the West Midlands.

The man appointed will be expected to take over responsibility for all of the group's business with special emphasis on developing the group's accounting procedures, the preparation of periodic accounts and management information and in particular ensuring that financial resources are properly planned and controlled.

This is a new appointment and the successful co-ordination of the various responsibilities will be a considerable challenge. Age is not a critical factor although it is unlikely that candidates aged less than 30 or earning less than £6,000 pa will offer sufficient maturity to discharge the responsibilities envisaged. Knowledge of the funding of operations and practical experience of negotiating for funding would be an asset.

The commencing remuneration will be negotiated around £8,000 pa plus a car and the company would contribute to the cost of removal expenses if the successful applicant had to move his house to take up the appointment.

Candidates should write for a personal history form, quoting reference MCS/1822 to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD.

Accountant
In-Company Consultancy

A major international group with a diverse product range and a decentralised organisation seeks an additional accountant to join a unit providing a consultancy service to its trading divisions. Projects are concerned with improving profitability and efficiency, particularly through the design and implementation of financial and management information and control systems.

Candidates, qualified accountants aged 28 to 35, should preferably be able to offer both consulting and industrial experience.

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An essential requirement is a degree of tact and diplomacy and the ability to deal with management at all levels. Whilst previous treasury experience is not essential, applicants should have a general understanding of commercial banking procedures, loan documentation and, ideally, foreign currency transactions. Age preferably 24/30.

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with experience of preparing farm accounts required by firm in Marlborough area on part-time or self-employed basis. Work consists of preparing accounts from information supplied and agreeing them with the Inland Revenue.

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GENERAL APPOINTMENTS

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The Financial Mail Johannesburg is seeking experienced business journalists for the above posts in South Africa.

Telephone Bruce Andrews at Shere (Surrey) 2659 or write to him with curriculum vitae at c/o The Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY.

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GENERAL APPOINTMENTS

GENERAL APPOINTMENTS ALSO APPEAR ON PAGE 16

Company Secretarial Career Opportunities

Spicer and Pegler, an international firm of chartered accountants, have two vacancies in the Company Secretarial Department of their London Office. This is a small but busy department which provides clients with a wide range of statutory and accounting services.

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The successful candidate will have several years post qualifying experience, and will be able to assume a progressive level of responsibility. Salary is negotiable circa £4,000.

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This position will be of interest to those with some experience of company secretarial work and accountancy.
The person appointed will have excellent scope for gaining experience over a wide range of duties. Encouragement will be given to the continuation of studies for the Institute examinations. Salary is negotiable circa £3,000.

Please write with brief details of qualifications and career to date, stating clearly the post for which you are applying, to—
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London, EC2.

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The successful candidate is likely to be at least in his late thirties, although age is not a primary determining factor, and ideally, should have a graduate or professional qualification and experience in depth in related fields; but must essentially have a proven record as a manager and first class administrator.

Applications, in confidence, to:—
Chief Establishment Officer (Ref. F/VO.187),
London Transport Executive,
55 Broadway, SW1H 0BD.

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All replies will be treated confidentially. Interviews are planned.

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Telephone London office, 01-836 1707 (24 hr. answering service) quoting Ref. 0711/FT. Reed Executive, 55-56 St. Martin's Lane, London WC2N 4EA.

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International Corporate Finance

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Write in strictest confidence to the Chief Executive Mr. D. A. Keown-Boyd,
Edward Bates & Sons Limited,
Cunard House,
88, Leadenhall Street,
London EC3A 3DR

CENTRAL BOARD OF FINANCE OF THE CHURCH OF ENGLAND
LOCAL AUTHORITIES' MUTUAL INVESTMENT TRUST
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INVESTMENT ANALYST

The Investment Office managing the above Funds requires an Investment Analyst specialising in U.K. Equities to assist in the management of its portfolios.

The successful applicant must have a sound knowledge of investment analysis with not less than 2 years' experience in a City institution or in stockbroking. He must have ability to generate his own ideas as well as to analyse those of others. *He will preferably* be a graduate or have a professional qualification. Initial salary will depend on age and experience but will be not less than £3,000 p.a. Applications giving details of education and experience should be addressed to:—

The Investment Manager,
Central Board of Finance of the Church of England,
Winchester House, 77, London Wall,
London, EC2N 1DB.

DIRECTEUR GÉNÉRAL ADJOINT

Investissements et promotion immobilièrs
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Une importante société de promotion et d'investissements immobilièrs, d'origine Britannique, développant ses activités en France, recherche un adjoint pour son Directeur Général.

Agés entre 28 et 35 ans, les candidats devront justifier d'une expérience d'au moins 5 ans de tous les aspects de *l'évaluation immobilière*, des investissements ainsi que de l'administration générale et du 'management'. Une expérience internationale serait un advantage. Une très bonne connaissance de l'Anglais est indispensable.

La rémunération annuelle de départ sera de l'ordre de 100.000 francs. Il sera fourni une voiture de fonction, "non-contributory pension scheme", et les frais d'un éventuel déménagement seront remboursés. Le poste est à pourvoir à Paris. Les entretiens initiaux auront lieu à Londres, après étude des cv qui comprendront une photographie. (Ref. W4699/FT)

Adresser cv détaillé en rappelant la référence sur l'enveloppe. Les réponses seront transmises à notre client sans être ouvertes à moins qu'elles ne soient adressées à notre service du contrôle indiquant les noms des sociétés auxquelles elles ne doivent pas être communiquées.

PA ADVERTISING LIMITED,
2 Albert Gate, London SW1X 7JU. Tel: 01-235 6060

Lloyd Executive

Banking

Loans Officer £7,000

This represents outstanding scope for a self-motivated and imaginative banker to join an entrepreneurial young team involved in international lending projects within an established U.S. Bank.

In his mid 20's, the successful candidate should have a university degree or professional qualification and must display a comprehensive understanding of sophisticated credit appraisal techniques, supported by a first class track record.

Contact: Geoffrey Mountford on 01-405 3499.

Credit Analyst £4,400

This career opportunity results from the growth plans of a very well established International Bank wishing to complement its loans team by appointing an experienced analyst with a sound degree of technical competence.

Ideally, candidates will be in their early 20's with a good academic record and at least 2 years experience of Eurocurrency lending propositions.

Contact: Michael Pringle on 01-405 3499.

Accounting Supervisor c. £4,500

A prominent and most efficiently administered American Bank currently requires a thoroughly proficient and accounting oriented Banker in his mid/late 20's.

AIB or ACCA qualified, he will be responsible for the analysis of computerised reports, the overall supervision of all computer entries and the monitoring of internal management reports.

Contact: Norman Philpot on 01-405 3499.

Trainee Dealer c. £2,300

An ambitious young man, aged 19/20 preferably with a knowledge of foreign exchange, is offered an exciting opportunity to achieve his career objective with a highly respected Merchant Bank.

It is essential that applicants display those personal qualities of drive, enthusiasm and flair associated with an active F X dealing environment.

Contact: Antony Tucker, A.I.B., on 01-405 3499.

Stockbroking

Electronics Analyst £5,000 +

A leading and highly respected Member Firm is eager to acquire an experienced senior analyst to augment their expanding research department. A minimum of 3 years experience within stockbroking is essential as is the ability to undertake depth research studies within this specialist market.

The attractive basic salary will be augmented by an annual bonus together with substantial fringe benefits.

Contact: Geoffrey Mountford on 01-405 3499.

Client Liaison c. £3,000

A well known City institution is seeking an experienced administrator with knowledge of stock exchange practice to assist in the securities dealing operation. The ideal candidate, preferably female, will be involved in client liaison and administration.

This is a unique opportunity to utilize personality and initiative and will provide exciting career progression for the selected applicant.

Contact: Antony Tucker, A.I.B., on 01-405 3499.

Gilt Executive

City c. £15,000

Our client, a prominent and highly respected Member Firm, seeks to appoint a very senior gilt edge executive able to take complete control of an established gilt department.

The selected applicant would be considered for partnership in due course.

To discuss this position in the strictest of confidence, telephone or write to Geoffrey Mountford (Director) on 01-405 3499.

Lloyd Executive

Brownlow House, 50-51 High Holborn, London WC1V 6ER

Trust Officer

Early 20's: Cayman Island: around £6000 tax free

This position is with the subsidiary of a North American bank which has extensive international operations. It is for a man aged 22 to 26 with an AIB or equivalent qualification and some experience in trust work and related activities.

He will report to the Manager and be responsible for the administration of clients' accounts and assisting with marketing activities as well as in the day-to-day administration of the company. The work is wide ranging and will have a significant impact on the profitable growth and development of the company's business.

An attractive benefits package includes a tax-free salary negotiable around £6,000.

Please write with full details. These will be sent direct to our client. *List separately any companies to whom your application should not be sent.* Ref. B.1017.

ASL CONFIDENTIAL RECRUITMENT
17 STRATTON STREET
LONDON
W1X 6DB
A member of MSL Group International

Assistant Chief Executive

YORKSHIRE

We have been retained by M. A. Craven and Son Limited, manufacturers of high class confectionery, to assist them with the appointment of an Assistant Chief Executive.

This new appointment, reporting to the present Managing Director, will initially require close involvement with the executive directors of marketing, sales and production. After a period of integration the successful candidate will be appointed to the board and will gradually assume the role of chief executive.

Applicants, aged 38/55, must have a sound educational background. They will currently occupy a senior position fitting them to assume responsibility for management of a successful, modern company with a good growth record and plans for continuing expansion.

Attractive terms, which will include car and profit sharing, are for discussion.

Write in confidence, quoting reference 2321/Y to: E. W. Cornford,
Peat, Marwick, Mitchell & Co.,
Management Consultants,
Suite 401, Salisbury House,
Finsbury Circus,
London, EC2M 5UR.

BUSINESS EXECUTIVE 36. Knows a lot about franchise marketing gained at blunt end of U.S. auto manufacturer. Broad based previous experience grocery pharmaceuticals, tobacco includes *brand* management export. Practically qualified business, operations, management accounting. Present job pays £5.5 to achieve 45% to *increase* family company with zero career development prospects. Need good move quickly and or funds available for potentially viable enterprise. Write Box A 5085, Financial Times, 10, Cannon Street, EC4P 4BY.

STOCK & CO. BRISTOL
Require experienced
SETTLEMENT/TRANSFER CLERKS
in their Bristol Office.
Staff benefits include non-contributory pension scheme, bonus, etc.
Phone: OFFICE MANAGER, Bristol (0272) 20051

SOLICITOR

Iranian law firm wishes to employ solicitor with minimum two years' experience in private practice.

Send curriculum vitae to Ghani & Tavakoli, P.O. Box 3318, Teheran, Iran.

ACCOUNTANCY APPOINTMENTS

Financial Controller

Leeds circa £6,000

Due to an impending retirement an opportunity has arisen for a mature, qualified, accounting specialist to join a Company which is the acknowledged leader in its field.

He will report to the Finance Director for the total accounting function, including some interpretation and implementation of financial policies, the maintenance of financial control systems and communicating with several divisional functions. He must offer a thorough knowledge and experience of managing integrated accounting systems, preferably D.P. Based, including *budget preparation, profit planning and forecasting.* This he must have gained in medium sized or large companies in which he has had control of managerial, professional and clerical staff.

It is unlikely that anyone aged under 33 or currently earning less than £5,000 will be sufficiently experienced. In addition to the negotiable commencing salary, a Company car, contributory pension and life insurance, B.U.P.A. membership and relocation assistance will be offered. Applicants should send brief written particulars of their age, education, qualifications *and experience, showing how they meet our* requirements, in confidence to:

B. W. Bowler,
Chief Personnel Executive,
E. J. Arnold & Son Limited,
Butterley Street,
Leeds LS10 1AX.
A Service to Education

E. J. ARNOLD

COMPANY NOTICES

GENERAL MINING GROUP

DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to shareholders registered at the close of business on the dates given below. The share transfer registers of the companies will be closed during the periods shown below.

	Last Day to Register	Closing of Registers
Ordinary shareholders	June 20th 1975	from June 21st 1975 to July 4th 1975

No instructions involving a change of the office of payment will be accepted after the last day to register. The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on the undermentioned currency conversion dates or the first day thereafter on which a rate of exchange is obtainable.

Non-resident shareholders' tax of 15% will be deducted from dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Payment will be made by the transfer secretaries mentioned below.

The full conditions of payment may be inspected at or obtained from the head office of the companies or the offices of the respective transfer secretaries.

All companies mentioned are incorporated in the Republic of South Africa.

DIVIDENDS

Mining Companies

Name of Company	Class of Share	Dividend No.	Amount Per Share cents	Currency Conversion Date	Posting Date	Description	Total Dividend for the year cents
Buffelsfontein Gold Mining Company Limited	Ordinary	36	105	28.7.75	7.8.75	Final	180
Stilfontein Gold Mining Company Limited	Ordinary	42	16	28.7.75	7.8.75	Interim	—
West Rand Consolidated Mines Limited	Ordinary	88	3	28.7.75	7.8.75	Interim	—
(See Note)	Deferred	79	282	28.7.75	7.8.75	Interim	—
The Clydesdale (Tvl.) Collieries Limited	Ordinary Stock	124	32	11.8.75	21.8.75	Final	7½
Trans-Natal Coal Corporation Limited	Ordinary	25	4	11.8.75	21.8.75	Final	7½
The Griqualand Exploration & Finance Company Limited	Ordinary	48	20	11.8.75	21.8.75	Interim	—

NOTE: Dividends on shares included in share warrants to bearer will be paid in terms of a notice to be published in London as soon as possible after the currency conversion date.

By order of the Boards.
GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretaries
per. V. G. W. DAYNES

London Office:
Friars House
39/41, New Broad Street, EC2M 1NJ.
June 4th, 1975.

Transfer Secretaries:
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent TN24 8EQ.

COMPANY NOTICES

CS AMERICA FUND
Société Anonyme
16 rue Aldringen, Luxembourg
Luxembourg RC 57674

Notice of Meeting

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of the above named company will be held at 16 rue Aldringen, Luxembourg at 11.45 a.m. on Friday, 27th June 1975 with the following agenda:— [illegible]

BISHOPSGATE PLATINUM LIMITED
(Incorporated in the Republic of South Africa)

COMPANY ANNOUNCEMENT [illegible]

INTERIM STATEMENT [illegible]

CENTRAL LINE SECURITIES LIMITED [illegible]

IOL PETROLEUM LIMITED
(Incorporated in Victoria, Australia) [illegible]

... Gazette" and once in "The Age" newspaper within fourteen days of such lodgment and once in "The Financial Times" London within twenty-eight days of such lodgment.

By Order of the Board
L. A. THOMASSON.
United Kingdom Secretary.
6 St. James's Square,
London SW1Y 4LD.
5th June, 1975.

BRASCAN LIMITED
(Incorporated under the laws of Canada) [illegible]

BRITANNIC ASSURANCE COMPANY LIMITED [illegible]

WEST RAND CONSOLIDATED MINES LIMITED
(Incorporated in the Republic of South Africa)

STATEMENT TO SHAREHOLDERS [illegible]

GENERAL MINING AND FINANCE CORPORATION LIMITED
London Secretaries,
per: V. G. W. DANES.
4th June, 1975.

GOLF: THE AMATEUR CHAMPIONSHIP

The seeds are slaughtered

BY BEN WRIGHT

A WHOLESALE slaughter of the seeds, the removal of seven of the stars who contested the Walker Cup last week and the emergence into the last 64 of two outstanding 17-year-olds made the third day of the 1975 Amateur Championship at Royal Liverpool one of great drama and excitement.

Three American Walker Cuppers, George Burns, Curtis Strange and Gary Koch, all seeded, lost, as did two of the British seeds in John Davies and Peter Hedges. Martin Poxon and Charlie Green accompanied them, and we were left to savour the infinite promise of the youngsters, Sandy Lyle and Nicky Faldo, who beat Green and Davies respectively.

Only eight of the 17 who played at St. Andrews last week survive. They are Vinny Giles, Craig Stadler, Jay Haas, John Grace and Dick Siderowf of the Americans, and Richard Eyles, Pat Mulcare and Mark James of the Great Britain and Ireland team.

Faldo and Lyle have points of similarity in that both are 17, both around the six foot three inches mark and play with apparent unconcern for the crises that spring up around them. Of the two, Faldo, who has only been playing the game for four years, played the more brilliant golf. He was out in 32 — a burst which included six birdies—and hardly surprisingly he was three up on Davies. He lost the 12th where Davies found the difficult green with his second but restored the three hole margin with a putt all across the 13th green.

Faldo won the 14th with a five after Davies had twice missed the green with approach shots and finished the match off at the 15th when he was a creditable three under par.

Delicate chip

Lyle's match against Green was an altogether closer affair. Lyle opened up with birdies at the second and third holes, holing a 10-foot putt at the second and a 25-foot putt at the third. He retained his two hole lead to the turn but only with the aid of the fates at the ninth.

He hit his approach shot far too hard with two clubs too much and the ball was still going upwards as it passed over the pin. It then struck a car parked some 40 yards beyond the green and rebounded back towards the pin. Lyle now had a relatively easy chip back and he made the most of it, hitting it to four feet and holing for a half.

Lyle retained his lead round to the 14th where he missed the fairway and looked likely to lose the hole as Green was well down the middle with only a short iron to the pin. But the tall Scot hooked his second into the rough and Lyle, with a delicate little chip and run to four feet actually won the hole that he might have lost.

Lyle lost the 15th after he drove again into the rough and they halved the 16th in five with Green making a superb recovery out of the second of the two bunkers he was in.

Lyle was now two up with two to play and Green was forced to go for the pin with the intimidating shot that is called for at the 17th. He misjudged it by only a fraction but it was enough to deposit him in the bunker on the left, pin high. He came out five feet past but missed the putt and conceded the match.

Earlier in the day Curtis Strange, only 19, had gone out to the England International from Yorkshire, Mike Kelley. Strange was the top scorer in the Walker Cup with 3½ points but he was never in the match against Kelley. The Yorkshireman went one up at the 9th where he holed from 9 feet, made it two up with a 7-footer at the 11th, and three up when Strange was nearly out of bounds with his drive at the 15th.

Kelley lost the 16th where he was short in two and also the 17th where his second shot finished out of bounds after a drive down the dangerous left hand side. However, Kelly pulled himself togeher and, playing first at the 18th, hit his second shot to 8 feet, to close the door firmly.

A favourite out

George Burns went out to Gavin Levenson, the 21-year-old South African stroke play champion. Burns was one of the favourites for the championship and the two were all square at the turn. But Levenson won the 11th when Burns was through the green with a five iron and the 13th when Burns bunkered his tee shot. He lost the 14th when Burns almost chipped into the hole and the match continued with a one-hole margin round to the 18th. Burns had his chance there but just when he needed to chip close, with Levenson a possible three shots away, he fluffed his shot in 24 handicap fashion and is now on the way home to America.

APPOINTMENTS

R. Cowen joins main Board of Rank

Mr. R. F. H. Cowen has joined the Board of the RANK ORGANISATION. Mr. Cowen is chairman of the Rank Foundation, the ultimate holding company of the Rank Organisation, and chairman of the Rank Group Charities.

★

Brigadier I. R. R. Hollyer has become chief executive of MEARS BROS. HOLDINGS. He continues as chairman and chief executive of A. Long and Co. and its subsidiaries and associated companies.

★

Mr. Bill Barnes, a director of Carrington Viyella, has been appointed chairman of the BRITISH MAN-MADE FIBRES FEDERATION, in succession to Mr. Cyril Colton. Mr. Barnes, vice-chairman for the past two years, is also currently president of Eurocoton, the organisation embracing European producers of cotton and allied textiles. Mr. Colton is to become president of the federation.

★

Mr. David Pickard has become a management partner in CONRAD RITBLAT AND CO., a subsidiary of the British Land Company.

★

Mr. C. A. Goman has joined the Marryat Group as sales and marketing manager of MARRYAT JACKSON NORRIS. He has been in the mechanical and electrical services industry for 30 years and was previously with Drake and Scull.

★

Mr. S. H. Martin has been appointed management development manager of NATIONAL WESTMINSTER BANK following the retirement of Mr. J. Dixon. Mr. K. H. Rock succeeds Mr. Martin as personnel relations manager.

★

Mr. P. C. D. Burnell has been appointed a director of CHARTER CONSOLIDATED. He became a manager of the company in 1969.

★

Mr. M. A. R. Young-Herries has been appointed a deputy chairman of the ROYAL BANK OF SCOTLAND from July 1. He is at present a vice-chairman.

★

Mr. Charles Love has been appointed group representative in Manila, Philippines, for BARCLAYS BANK INTERNATIONAL from the end of this month. He will also have the title of senior vice-president.

★

Mr. Desmond English has been appointed managing director of SPICER-COWAN (IRELAND).

★

Mr. S. A. Ghalib, formerly managing director of the Nuclear Power Group, has been appointed to act as consultant to the SOUTH OF SCOTLAND ELECTRICITY BOARD from June 18.

★

Air Marshal Michael Beetham has been appointed Deputy Commander in Chief Strike Command of the ROYAL AIR FORCE.

★

Mr. George Bradshaw has been appointed managing director of IMPERIAL BUSINESS EQUIPMENT which will be responsible for the continuing sales of Imperial office machines and supplies in the U.K. and Republic of Ireland. Mr. David Juckes has been appointed sales director. Both previously held positions with the old Imperial Typewriter Company.

★

Mr. Ben S. Barnes, vice-chairman of the First National Bank of Atlanta, has succeeded Mr. Ian Stoutzker as chairman of LONDON INTERSTATE BANK in rotation of the chairmanship among directors.

★

Following the purchase of the ANGLO-PORTUGUESE BANK by the Norwich Union, the Board of the Bank has been reconstituted and comprises the Marquess Townshend of Raynham (chairman), Mr. P. M. Bunce and Mr. G. C. Lara (joint general managers), Mr. C. H. Moore and Mr. P. W. Sharman.

★

Mr. Eric K. Gregory has been appointed a director of ACE TEXTILES, a subsidiary of Allied Textile Companies.

★

Mr. D. C. Rennie has resigned from the Board of ENERGY SERVICES AND ELECTRONICS and its subsidiaries.

★

Mr. J. D. Champalbert has been appointed chairman of CREUSOT-LOIRE STEEL COMPANY, succeeding Mr. G. Gay, who has retired. Mr. F. P. Staddon continues as managing director. Also appointed to the Board are Mr. M. Simon and Mr. H. Froissart who replace Mr. P. Carrigue and Mr. R. J. Tardy.

★

Mr. Martin E. Harrison has been appointed senior investment officer of MORGAN GUARANTY INVESTMENT SERVICES (U.K.) from June 9. He was previously with Samuel Montagu and Co.

★

Mr. Mortimer H. Raath has been elected chairman of the London branch of the BRITISH INSTITUTE OF MANAGEMENT with Mr. Michael J. Frost and Mr. Alan J. Mallett as vice-chairmen.

★

Mr. Terry Day has been appointed financial director of ASHFORD CONTROLS and relinquishes his position with Ham Baker. Both concerns are members of the Petrocon Group.

PUBLIC NOTICES

DOVER CORPORATION

Certain information required by The Stock Exchange in London to be available may be inspected during the usual business hours (Saturdays and public holidays excepted) at the offices of Kleinwort, Benson Limited, 34 Lime Street, London EC3M 7LX from whom copies of the Annual Report may be obtained.

GENERAL APPOINTMENTS

THE FARMERS' CLUB

CLUB SECRETARY/CHIEF EXECUTIVE

The Farmers' Club wish to appoint a successor to Richard Henson who is retiring at the end of 1975. He will be responsible to the committee for the efficient running both financial and managerial of this well-established thriving club, with unique residential premises in the heart of London, providing a service to more than 4,000 members from all sections of the agricultural industry. This is a senior appointment requiring considerable ability and expertise which will command a realistic salary.

Application forms from (for return by 27 June, 1975):
C. H. Coad,
Chairman,
The Farmers' Club,
3 Whitehall Court,
London SW1A 2EL.

BARCLAYS GROUP STAFF ASSOCIATION
81 PERRYMOUNT ROAD, HAYWARDS HEATH, SUSSEX.

GENERAL SECRETARYSHIP

The present General Secretary is due to retire in June 1975.
Applications for the post are invited. The commencing salary will be negotiable.
A job description and an application form may be obtained upon written application to the Association's Solicitors:

Peter Griffiths Esq.,
c/o Stafford Clark & Company,
Solicitors,
4/16 Deptford Bridge, London SE8 4JS

to whom all correspondence and enquiries should be addressed.
Interviews will be held in London during July. Applications will be treated as strictly confidential by the Interviewing and Selection Committee.

COMPANY NOTICES

COMPANHIA DE DIAMANTES DE ANGOLA
(Angola Diamond Company)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of the Companhia de Diamantes de Angola will be held at the Head Office ... [illegible] ... In London: At the Anglo-Portuguese Bank Ltd., or the Banque Belge or Morgan Guaranty Trust Company of New York. In New York: At the Morgan Guaranty Trust Company of New York and in Luxemburg: At the Banque Generale du Luxembourg.

Shares must be deposited in sufficient time to enable the advice of deposit from the above mentioned Banks to reach the Head Office of the Company on or before the 21st of June, 1975. Any shares so deposited will only be released on the day after the closing of the Meeting.

By Order of the Board.
F. NEUBERGH.
Financial Agent.
Lisbon.
2nd June 1975.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St., W.1. 01-629 6176 MASTER PAINTINGS—An Exhibition of Recent Acquisitions. Until 4 July Mon.-Fri. 9.30-5.30; Thurs. 9.30-7.00.

ANTHROPOS GALLERY. Specialists in Ethnic Arts. 7, Monmouth Street, Upper St. Martin's Lane, WC2. 01-836 0162. Europe's finest collection of New Guinea-Papuan and Eskimo Art. A new exhibition Mon.-Wed 10-8. Thurs.-Sat. 10-12 midnight. Sun 1-7.

FURNEAUX GALLERY. 23 Church Rd Wimbledon Village, London S.W.19. New paintings reflecting the glories of the English countryside by MERVYN GOODE until June 21. Thurs., Fris. & Sats 10-6. Tel. 01-946 4114.

GALERIE AZIZA. 7 Church Road, Wimbledon Village, London, S.W.19 Tel: 01-946 4727. THE REDISCOVERY OF THE POST-IMPRESSIONISTS and the SUMMER EXHIBITION Wed., Thurs., Fri., Sat. 10-6 p.m. Sun. 2-6 p.m.

LEGER GALLERY. Exhibition of English Paintings Reynolds, Romney Lawrence etc Mon.-Fri. 9-5.30. 13, Old Bond Street. Until June 27th.

Advertising and...

Weinreich for Wasey

IN A SURPRISE move Len Weinreich is leaving The Kirkwood Co. where he was creative director to take up the same post at Wasey Campbell-Ewald.

The switch comes about because Colin Goodson, in one of his first acts as chief executive officer of WCE, has promoted Erwin Levine to assistant managing director in order to give the "Agency's creative talent a strong voice at the top."

While very flattered that Wasey chose his creative director, Ronnie Kirkwood said yesterday that the move was "a surprise." Weinreich had mentioned the possibility of such a move to Kirkwood about ten days ago and finally decided on Friday evening. Although sad to be losing Weinreich, Kirkwood observes that the opportunities at Wasey are greater since WCE is three times the size of The Kirkwood Co.

Len Weinreich had been with Kirkwood for about three years and was the agency's first creative director. Before that he was with Aalders Marchant Weinreich (as it was then called).

Ford goes to OBM

BY PAMELA JUDGE

THE £1m. Ford of Britain account has been won by Ogilvy Benson and Mather. The agency will be responsible for all the car advertising from July 21 when it takes over from Collett Dickenson Pearce which resigned the business some six weeks ago.

Lintas and J. Walter Thompson were in the line-up of agencies and presented to Ford by demonstrating their work and what sort of organisation they were — nobody produced a suggestion for a campaign. It had been thought in some quarters that JWT would get the business since it handles Ford's commercial vehicles.

The move must be very satisfying to OBM since about eight years ago it resigned the Standard Triumph account in order to pitch for Ford, which was when CDP won it. OBM has not had a car account since apart from a short-lived run with BLMC when the Benson merger took place.

CDP's resignation of Ford happened because the agency preferred to produce one solution at a time while Ford wanted options on more than one since often the lead time was too short. But it was a "civilised and gentlemanly parting" with Ford recognising that CDP had done a lot of good work for the company. Ford is also conscious of the fact that it is a large advertiser and does not want to be in a situation where it would swamp an agency. And there is no question of employing an agency with a competing account so that the list of potential agencies was short. The decision to place the account with OBM was taken within a couple of weeks of the company seeing the agency.

● From October 1 the campaign for the recruitment of prison officers—costing about £250,000 a year—is to be handled by Davidson Pearce Berry and Spottiswode.

● Bovis Construction is a new account for Foster Turner and Benson.

● R. J. Reynolds Tobacco Advertising, London, a development project (Benton and Bowles and BBDO also competed). Grey Advertising Inc., New York, has acquired an interest in Roland Nordstrom Annonsbyra, Stockholm.

● Terry Bygraves, Michael Dunn and Michael Robinson have been appointed to the Board of C. Vernon and Sons.

● David Lamb, U.K. advertising manager of Rowntree Mackintosh, is to chair this year's Media Business Course which is sponsored by CAM Foundation.

● Rogivue, the Zurich agency which is part of Ayer Barker Hegemann, now acts in Europe for Beckman Instruments International.

● Desmond North, deputy sales director of Granada TV, is to join Tony Rowse Media on August 1.

● Texaco is offering its dealers a new promotion scheme called Profit Drive 75. The manual gives details of each offer—vouchers for glasses, for example—costings and display material available.

● The new list of members of the Institute of Practitioners in Advertising is just published and there is also a new pamphlet on advertising conditions in Greece.

● A series of ten colour pages is planned by Offord Youlten and Associates in a £50,000 drive for Boots Farm Sales.

● Colman Foods is launching a £40,000 Press campaign for its new eight-pint Tom Caxton home-brew beer kit. Foote Cone and Belding is the agency.

The Marketing Scene

GROCERY STOCKS

Light on the gloom

BY ANTONY THORNCROFT, MARKETING EDITOR

IN RECENT months stocks and shares have become the great pre-occupation of the grocery trade—the level of stocks held by retailers, and the effect that out-of-stock situations for a manufacturer's brand has on its market share. So not surprisingly there was a large turn out on Tuesday for a conference on the cost and effect of out of stock situations organised by the Institute of Grocery Distribution and Nielsen, the research company.

Perhaps the greatest interest centred around some surveys conducted by Nielsen into the extent of out-of-stock situations and the reactions of housewives when faced with the absence of the brand they wanted to buy. As is often the case the research was not quite earth-shattering but at least it put the whole question into perspective.

Nielsen looked at 58 grocery markets, accounting for annual sales of almost £2,000m. a year. It discovered that the stock value of these markets in the autumn of 1973 was running at about £110m., and had been increasing for the previous six years at about 5 per cent. a year. Then came the economic crisis and the three-day week which instead of leading to stock shortages (despite the scares over sugar and salt) produced a rise in stock levels of 27.3 per cent. in six months, to £140m. The high cost of borrowing, buying to forestall the three-day week, and a fall in consumer spending, contributed to the over-stocking, which resulted in 45 of the 78 markets covered by Nielsen registering a stock upturn.

Since then there has been an equally dramatic de-stocking and, despite the inflation in prices, there was an actual drop in value. This year inflation has re-asserted itself and by last April there was a 22.5 per cent. increase in stocks compared with October, to a total of £169m. So there has been no violent de-stocking in the past six months, and the grocery trade seems to have been quite intelligent in its attitude to stocks, cutting down on extended use products like jam, margarine, cereals and coffee, but, if anything, building up in stocks of long-life canned goods.

Empty shelves

So to some extent Nielsen has exorcised the spectre of a rapid de-stocking. But there is definitely an out of stock problem for certain brands, and further researches suggested how consumers react to the empty shelves. A survey of 32 stores was undertaken and over 22,000 customers asked whether they found any out-of-stock situations. Over 2,100 had done so, and of these 39 per cent. had decided to look elsewhere, 30 per cent. bought a different brand or product, 26 per cent. said they might return later, and five per cent. bought a different size.

Among younger housewives there was a greater inclination to buy alternative brands. In summary one in ten housewives faces an out-of-stock situation, and in two-thirds of the cases this leads to an immediate or potential loss to the retailer, while for the manufacturer the sales wastage could be 95 per cent.

This should be worrying for the manufacturers present and David Walters of the IGD rubbed in the implications. He pointed out that any reduction in the volume of deliveries increased the suppliers costs. "An average supplier is in the situation where for each call made some 75 per cent. of his costs occur when committed to that call, with only 25 per cent. varying with volume."

Gloom should have deepened even more when Keith Padden of Fine Fare gave an hypothetical example of what happens when, to save on stocks, a big retailer rationalises its stocking policy and eliminates a line. He took as an example a market worth to Fine Fare £600,000 a year in sales. Even if it eliminated a brand holding 25 per cent. of this market it could make up most of the turnover, and get even more profit, by introducing an own label brand in the same area, and by the savings on interest charges Padden reckoned that the group would show a net gain of £1,723 and release over £11,800 in working capital. The final result of his examination was that if the same rationalisation took place over the whole £300m. of Fine Fare's turnover the company would release extra working capital of £3m.

It does seem that there will be product rationalisation as companies in the grocery field attempt to improve their profit margins, which are down to little more than 3 per cent. Mike Coburn of Findus Foods said he would welcome retailers stocking products in line with their profitability: frozen foods do well by this criterion.

Bill Ramsay, marketing director of General Foods, made the point that, unlike the U.S., British housewives had not yet suffered a real fall in their standard of living. Drawing on American experience he forecast that when this happened housewives would buy and eat less—over a quarter of U.S. housewives were doing so. In addition, couponing would get a boost—over 90 per cent. of U.S. consumers used coupons.

Record D & ADA entry

BY PAMELA JUDGE

THE thirteenth annual film and graphics exhibition organised by the Designers and Arts Directors Association of London was opened on Tuesday by the Lord Chancellor, Lord Elwyn-Jones, seen here (left) with D and ADA chairman Edward Booth-Clibborn. The show is at Capital Radio, Euston Tower, London, and is open until June 27.

The four gold awards for the best advertisements (from a design angle) of 1974 went to Southwark Council for the editorial design of the year with its "Southwark Civic News" and "Southwark Tenant": the Central Office of Information for the advertising of 1974, with its Army recruitment campaign; the most outstanding graphics gold was "Words and Music" from David Esser Associates; and the gold film was on fire prevention for the Central Office of Information.

In all there were nine special citations, 33 silver awards, as well as the four golds. Collett Dickenson Pearce was the agency featured in nine of the awards, Doyle Dane Bernbach figured in five, and Boase Massimi Pollitt and Saatchi and Saatchi came in with four each.

The exhibition is in eight sections: advertising, radio, direct mail, graphics, editorial design, art and photography, TV and cinema commercials and TV and cinema graphics. Commenting on the objects of D & ADA to encourage the understanding and commission of good design, Lord Elwyn-Jones said that it was "increasingly important for manufacturers to increase the quality of their product and for the public to be made more aware of good design." Public taste "must not be corrupted by the second-rate and the trashy." Lord Elwyn-Jones also pointed out that some 80 per cent. of TV advertising in Holland is designed by British designers.

The show is to be run simultaneously in Amsterdam where it will be opened to-morrow by the British ambassador Sir John Barnes. It is to be held at the offices of Volkskrant at 150, Wibautstraat and is being sponsored by Intermarco Nederland. The London show attracted the highest entry ever, with 405 items of print, 20 radio items and 32 films, quite an achievement in a year where there have been fewer advertising awards because of the cost of the entries.

Winston Fletcher, of Fletcher Sheldon, replies to Ronnie Kirkwood's views on agency changes

Dear Ronnie Kirkwood . . .

I GREATLY enjoyed your article on this page last week but I was disappointed to see you gingerly pussyfooting your way round a hoary old nettle which has, once again, become a thorny problem for us all.

The nettle in question, as everyone in the advertising agency business is currently all too aware, is the 15 per cent. commission system. The dilemma is a simple one: agencies' costs, like everyone else's, will escalate by 20 per cent. plus this year. Clients' total billings most certainly will *not* increase by 20 per cent. plus this year. Ergo, agencies' profits will be shredded; some will go bankrupt (several already have); many more will make balance sheet losses.

The arithmetic is depressingly simple. Let's take an agency like yours, Ronnie, billing around £5m. In an average good year you would aim to make, say 3 per cent. profit on turnover: £150,000. Your total costs are about £600,000. An increase of 25 per cent. raises your costs by £150,000, paring your profits to nil. Of course, the outlook is not quite as bleak as that. Budgets have grown a little. Nevertheless it is an extremely uncomfortable predicament for a company acting as principal-at-law to the media, spending about £400,000 a month on behalf of clients, some of whom may themselves not be looking all that financially bright right now.

We know it's all a result of the country's unhappy economic plight, but that is no solace. We also know that the situation has been aggravated by the over-optimism of both agencies and clients when 1975 advertising budgets were being planned. Few are the clients who have not cut back (often drastically) their originally planned 1975 appropriations. Agencies, unfortunately, cannot slash their own costs nearly so quickly, even redundancies are expensive.

Do I hear the patter of tiny tears, the heartrending sound of clients blubbing into their non-expense-account sandwich-box lunches? I fear not. Our clients of course, are facing little local difficulties of their own at the moment; but they are not, generally, impervious to their agencies' financial problems. It is not in their best interests for their agencies, or any other satisfactory supplier, to suffer severe financial strains.

The problem, to return to the nettle, is the commission system. Major clients all know, being neither dumb nor daft, that when (as in 1973) advertising budgets are booming, agencies make a bomb out of their larger accounts. Any single brand billing over, say, £500,000—from which the agency receives £75,000 income—has to be exceptionally profitable even to the most incompetent of agencies. And Geers Gross have publicly demonstrated that really competent agency management can generate well over 5 per cent. profit on large, television accounts.

Major clients, as we all know, mildly resent this. They do all they can to scrounge back part of the agencies' commission in services and in kind. But so long as the media and the agencies resolutely refuse to budge from the recognition / commission system, there is little that clients can do about it. In-house agencies don't work very well for a host of reasons: and shopping around with separate media brokers and creative consultancies is both time-consuming and inefficient.

Clients I've spoken to reasonably feel that if agencies want to profit from the commission system when times are bountiful, they must suffer with it when times are hard. It's called swings and roundabouts, taking the good with the bad, entrepreneurial risk and reward.

I don't know about you, Ronnie, but personally I think that the commission system is far less important to the agency business than most agency men allow. In the U.S., where the 15 per cent. commission system was outlawed years ago, good agencies continue to thrive and make healthy profits. (The President of a New York agency told me a couple of weeks ago that his agency gets only 10½ per cent. on its \$9m. cigarette account; and he claimed that there isn't an agency in New York making more than 11 per cent. on cigarette business. Nevertheless he seemed to be in good spirits; he wasn't sobbing; nor was he imminently planning to resign his \$9m. cigarettte account.)

Which is not to say that I am particularly against the commission system. I simply think that it is not that important, one way or t'other. If we do grasp the nettle and tear it up by the roots, it really won't hurt us that much.

Our situation, in advertising agencies, is further complicated by the fact that as principals to the media we carry heavy cash risks. In 1973 agencies coughed *up to the media £600,000 of their* own money, paying for bad debts. For this risk-taking we need to be remunerated in some way.

So long as you and I, Ronnie, continue to produce the most effective advertising in town, our clients will be happy to pay for our services. And if they're wise, as most of them are, they will be delighted if we make a reasonable profit on the deal.

But if we insist on sticking to the 15 per cent. commission system when it is highly profitable to us, we can hardly rush round to our clients with fee-begging bowls when times get tough.

Meanwhile, I hope this free and frank discussion of our mutual problems will help carry the argument a little further forward.

Your friendly competitor,

Winston

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(Established 1888)
Incorporating THE FINANCIAL NEWS
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THURSDAY, JUNE 5, 1975

Why the vote must be yes

TO-DAY'S decision certainly will be historic. The debate has been anything but that. It has after all been going on for just about two decades and while the world has changed, the arguments seem to have remained very much the same. More important, too many of the major participants have been preoccupied with the past rather than the future. This preoccupation may be a reflection of nothing more than the present mood of the country, with everyone predominantly concerned with preserving what they have got, fearful lest it be taken away.

On the whole the anti-side has inevitably been more parochial, more conservative, more fearful. Its very composition has guaranteed that. Broadly those who will vote "No" to-day fall into three main categories. There are first of all those, on all sides of the political spectrum, who are motivated—consciously or unconsciously—by straightforward xenophobia. "Frogs," as Nancy Mitford's Uncle Matthew used to say, "are slightly better than Huns or Wops, but abroad is unutterably bloody and foreigners are fiends." Can we really allow these fiends even the slightest say in how we run our own affairs?

Sovereignty issue

There is some overlap between this group and all those who on primarily constitutional and traditionalist grounds ask themselves, as the late Hugh Gaitskell did, whether we are and should be ready to sacrifice "one thousand years of history" and are in little doubt that the answer must be "No." There are some strange bedfellows in this camp, Mr. Enoch Powell and Mr. Peter Shore to name but two who have campaigned vigorously. They are above all worried at the loss of sovereignty, the erosion of the powers of Parliament, the circumscription of our freedom of action if or when the Community moves further along the path to greater integration.

The third and probably largest group is in essence the left wing of the Labour Party. They have adopted many of the slogans and arguments of the traditionalists. But to them the sovereignty of Parliament and of the British people is not so much an end in itself—as it is to Mr. Powell and Mr. Shore—but merely a means to their end, the building of Socialism in one country. Mr. Wedgwood Benn, having changed his mind about the EEC, is the unquestioned leader of this school of thought.

With such disparate forces arrayed against them and the opinion polls showing them to have a seemingly secure lead, the pro-Europeans have on the whole been fighting a defensive action. They have rightly dismissed Mr. Wedgwood Benn's "jobs lost" cry as specious. They have on the whole played down the sovereignty issue by drawing attention to our right of veto in the Community and emphasising quite rightly that the antis cannot point to a single instance where anything which the British Government wanted done could not be done because of our Community membership.

Shopping baskets

Probably the one incident which characterised the campaign best was that of the two shopping baskets. Food is dearer in Brussels than in London, proclaimed the antis. Ah, said the pros, but it is dearer still in Oslo. To what extent this might be due to varying retail margins, different levels of subsidies, whether incomes levels might be relevant were questions which were never even raised, let alone answered. Even in terms of "butter" the debate has been superficial.

For about 15 years now the Financial Times has held the view that for the sake of Europe and for the sake of this country British membership was the right choice. Initially—and in those days tariffs were very much higher than they are to-day—we attached considerable importance to the short-term economic advantages of forming part of the fastest growing market in the world. But then we swung to our present position, that the economic advantages are there, but will have to be worked for over a number of years, and that political considerations are paramount.

We have been sceptical about the short cuts to greater unity sought by the Community. We believed that if Governments were forced to choose between the rigid maintenance of the common agricultural policy and flexible exchange rates they would choose the latter. We have argued that the achievement of full monetary and economic union is much further off than heads of Governments might proclaim in a euphoric moment at a summit meeting. But we also believe that greater European unity must be the objective for which the Community must strive.

A positive vision

Among all the pros, only Mr. Edward Heath and Mr. Roy Jenkins have held out a positive vision of the future. They, as little as any of us, can foretell what form future European integration will take. But they reject totally, as we reject, the prospect of Britain as a tight little island, seeking refuge in a siege economy, opting out of the main stream of world politics. We do not believe that a "Yes" vote will solve a single one of Britain's pressing current problems, but we are certain that coming out would make their solution immeasurably more difficult.

We do believe that in a world dominated by the superpowers, at a time when the U.S. is more uncertain than at any time since the end of the war on how it should use its power, Europe has a vital role to play. It can only hope to make its voice heard, whether it be in relations with the third world or in the dialogue with the oil and raw materials producers, it can only hope to temper the rivalry between the U.S. and Russia if it can defend common interests in common.

Can anyone really deny that Europe will be weaker if we withdraw from the EEC and that Britain as a result will be weaker too? "No man is an island, entire of itself," John Donne wrote. Nor can Britain be to-day. It is because getting out would be a gratuitous act of irresponsible folly, because we have a contribution to make to the building of a more closely knit Europe and a better and safer world that the vote must be "Yes."

REFERENDUM

Down among the yes-men and out into no-man's land

A pilgrimage by ARTHUR SANDLES

THERE have been times during the last few weeks, in those packed halls at Leeds and Acton, and the not-so packed Prime Ministerial gatherings of Long Ditton and Dewsbury, when the observer might have been forgiven for reflecting on the old ground rule for Government: when difficulties are too great at home, invent a military threat from outside. From now on, however, perhaps it should be changed to: whenever problems threaten at home, have a referendum.

As the students roared, the flags were waved, the hecklers interrupted and the television cameras whirred at Oxford, an onlooker near me in a sweaty Union balcony turned and whispered: "I suppose there is someone back in Whitehall actually looking after the store?" It was all great fun, of course. Messrs. Heath and Thorpe were back in their element of banter and backchat, but Mr. Peter Shore and Mrs. Barbara Castle, produced perhaps in the potting shed of Oxbridge but more recently hardened off in the chilly atmosphere of Labour Club backrooms, a little at a loss. The whole atmosphere caught the mood of the campaign in a matter of minutes. Here was the divided nation presented in full colour television.

The lighter side

Whether the referendum has changed political life in Britain, whether it has divided our two main parties irrevocably, is something that only time and the pundits will reveal. But the campaign has certainly had its lighter side. The politicians themselves have frequently appeared uneasy to the extent of nervousness: Mr. Harold Wilson almost succeeded in insulating himself from the cold winds of party disagreement by having ticket-only meetings and steadfastly refusing to answer questions: Mrs. Margaret Thatcher scarcely ran an aggressive campaign, being finally teased into the arena proper by Mr. Edward du Cann. But the battle itself has been left to the supporting teams, Benn and Shore, Heath and Jenkins.

In the field there was a striking difference between the two campaigns, a difference which widened ominously as the debate continued. The pro-Market meetings tended to be heavily middle class in mood. The audiences were well-heeled, the stewards neat and polite, the Press were sometimes offered telephones and even drinks on the house. At Brighton, after the nostalgic return of Supermac, there was even a post-meeting supper party for the "inner circle" which at times owed more to Ascot than to the hustings. The anti-Market gatherings were earnest events. No mood of victory here, but dusty assemblies of concern and a patent shortage of cash.

At the pro-Market meetings the loudest cheers came for the jokes. Time and time again audiences heard Mr. Heath talk of the Scotsman who wrote to him "on a very small piece of paper." At the anti-Market gatherings the roars came at talk of sovereignty, at mention of British housewives subsidising the small farmers of France, and at talk of the "capitalist club" of Europe.

At both sets of meetings the questions fell into pattern, and eventually it become clear that the audiences in the halls at least were very largely not really listening to the arguments. If the evidence of the halls were all that one had to work on, it would be simple. The middle class of Britain will vote "Yes" because it fears a take-over from the Left: and the blue-collar workers of the nation will vote "No" because they do not think that their industries can survive direct competition from Germany and France and that they will therefore lose their jobs—or at least their standard of living. At many gatherings there seemed a yearning on the part of pro audiences to be part of the wealthy European bourgeoisie, and at the anti gatherings a dread of that very concept.

From the practical politics point of view the campaign has been watched very closely by party organisations.

The reasons for this are clear enough. This time there will be no cars to take reluctant voters to the polls, no party machines striving to drum up the last ounce of enthusiasm from an unwilling public, and not even particularly clear guidance from the leadership. If, after all that, there is a large poll and a decisive vote, the parties will begin to wonder whether or not their election style in the past has been the right one. Given a low turn-out up and down the countryside local agents will be able to turn to their candidates and say: "Look what happens when you haven't got me behind you." At the moment the view seems to be that the turnout will be low but whether that fact owes more to boredom among a public which has seen two elections and a referendum in 18 months and would prefer to see a Government actually governing than to the absence to local party organisation is a matter of considerable argument.

Part of the reason why the provincial meetings eventually became little more than instant studios for television coverage and Press conferences was that the "candidates" frequently found themselves at a loss without local issues. The price of butter in Bristol is no more significant than the price of butter in Halifax. There was one brief moment when someone actually tracked down part of the "beef mountain" to deep freezes in Acton, but otherwise speakers were reduced to repeating the message as before.

It was for that reason that those speakers who are traditionally the target for hecklers, and who perform best in the midst of some to-ing and fro-ing, provided the most enjoyable gatherings. On the other hand, until they exploded into small screen life, thanks to concerted opposition at St. Pancras, the Wilson meetings were duller-than-life affairs, so muted as to be almost unheard.

It was easy, at some of the others, to imagine that the whole of Britain was involved in the debate, but in fact the evidence is against that idea. There is a growing fear among the pro-Marketeers that the poll will be so low as to be embarrassing. At the last count programmes concentrating on the referendum were having no particular impact on the television ratings and casual questioning of passers-by (a somewhat unsophisticated way of measuring public opinion, known politely in the audience research business as "dipstick tests") seems to show that the "don't knows" are still heavily represented.

What is worrying the more energetic campaigners is that even if opinion polls shows that one side or another is going to win, that will apply only if people actually go and vote. All those involved realise that given a low poll, the result might be totally unpredictable.

Whatever the mood inside the halls during the campaign there has been very little sign of demonstrations outside—very few crowds to welcome conquering heroes, and very few back-door exits to avoid angry mobs.

There is one clear message in all this from those involved—it will be a long time before Britain has another referendum. The politicians have found themselves playing a game whose rules had to be invented along the way, and playing it to an audience which at times appeared less than interested. Every now and then a politician was pressed hard to say something which would clearly condemn his colleagues in Party leadership as foolish. Occasionally one of them did, notably of course, Mr. Roy Jenkins in his comments about taking Mr. Wedgwood Benn seriously. Those wounds will take some time to heal, not because they are unusual, but because they were inflicted in public.

What is worrying some of the campaigners is that the public seem to be much less impressed by all this blood-letting than had been hoped. Fresh from watching the Supermac triumph in Brighton I stood in the vast emptiness of the Dome Theatre as the watchman made his final check. Everyone else had gone and the place had that dull unearthly echo about it which is peculiar to theatres. "Don't know what all the fuss is about," he said. "I don't think anyone is interested, do you?" About 600 people had arrived in an auditorium which holds at least 2,000. It had been an impressive speech, but the hecklers were often drowned by the sound of their own echo. At Bedworth the Prime Minister actually prefaced his speech with an explanation of why an audience of 200 in a hall which could hold 800 should not be interpreted as a sign of apathy.

Element of bitterness

This lack of actual contact with the public has produced an element of claustrophobia about the campaign which looked like unnerving the contenders in the last stages of the battle. It was probably for that reason that an element of bitterness started to creep in, and the mood of the final appeals edged towards the desperate. The greatest body of political "don't knows" at the moment lies among the politicians, who really do not have the foggiest idea of how their campaigns have gone.

For journalists covering the campaign this became increasingly depressing, because they, too, were infected by the fear that no one other than the actual participants was particularly enthused. For once, the commentator, used to living off his "well, I was there, of course" name-dropping, is faced with comments of sympathy rather than admiration.

Now we face a couple of days of voting and counting. And after that the tidying up. I have started a collection of campaign posters — Liberals Say Yes, East Sussex in Europe, Vote No to Rising Prices, Young Socialists Say Out. Who knows, they might be worth something one day.

Terry Kirk

Lady Godiva rides against the EEC. "Then she rode back clothed on with Chastity. She took the Tax away and built herself an everlasting name" are the words of Tennyson inscribed on the plinth of Coventry's statue. And it was that inscription which inspired this group of anti-Marketeers, including (foreground) local MPs Mrs. Audrey Wise and Mr. Bill Wilson, to hold a vigil in the statue's shade.

MEN AND MATTERS

Grenside's lead for the Institute

John Grenside, yesterday elected president of The Institute of Chartered Accountants in England and Wales, takes a depressing view of the economy. Last December he was publicly warning of "spectacular failures in the next 12 months, and auditors will inevitably get much of the blame for them." Since then he has spent much of his time advising Burmah and Ferranti. Now he says that unless inflation is curbed, "the Government measures to aid companies got them through last winter, and may get us through this one, but not far beyond."

He says this without any of the sombre disinterest of which accountants are sometimes accused and is no model for the Institute's irreverent title of the League of the Walking Dead. An agreeable, highly articulate man, his current influence is shown by his also taking up a personal appointment by the Governor of the Bank of England on the City Liaison Committee. He will take over there from Sir Henry Benson, who has become the Governor's industrial adviser. Benson was accountancy's first representative on the committee.

Referendum Day is an apt one for Grenside to start his presidential year at the Institute. Since 1972 he has been its EEC expert, representing British accountants on the grouping of principal accounting bodies within the EEC, going through the revision of the EEC directives on company law and professional practice. He will be worrying, he says, until the results come.

His election means the President's role comes back to the big battalion Grenside being a partner of Peat, Marwick Mitchell and succeeding Kenneth Sharp, from the small Carlisle partnership of Armstrong, Watson, Stanley Kitchen, elected deputy president and so in line to succeed Grenside, also represents a major firm, Touche Ross, through a partner in its Birmingham practice. Both men are products of Rugby School.

The move from some of the accountants in industry and commerce to get bigger representation on the Institute's Council came to little in recent elections and, having only ever provided one president, that situation looks unlikely to change while the job takes up, Grenside estimates, 75 per cent. of working time. It has meant, in his case, Sir Ronald Leach putting off retirement as senior partner of Peat, Marwick Mitchell until Grenside can take over there in October next year.

Baby talk

When Mark and Helen Holland used their new baby-minder at the week-end—it is one of those electric gadgets which allow parents downstairs to hear their babies waking up and to try to soothe them from a distance—they were amazed when the speaker crackled out neither gurgles nor cries but a strident denunciation of Spain as a fascist enemy of the people. A female voice then promised that Radio Moscow would shortly play the song *Take Me Back To Siberia* and sure enough it did.

It is not some Orwellian indoctrination plot, but it is very strange. The makers, G. and R. Wrenn of Basildon, Essex, say there is a slim chance of such instruments acting as radio receivers and because their's is a rather superior model, with five transistors, it will reproduce any sound picked up more clearly than most. They will also fit suppressors for those having trouble.

What is remarkable is that the rare cases of interference by radio usually affects people living near transmitters, often those of the police or taxi firms. The Hollands live in Cheshire, so this is a tribute to the power of Radio Moscow's short wave transmitters.

To him who has

The senior partner of stockbrokers Sandelson not only drew Grundy in the Stock Exchange Members' draw to win the first prize of £13,000. He drew the same horse in one of the jobbers' sweeps as well. His name is Alan Knapp.

No Crocker axe in London

Most top American bankers wheeling through London are hard put to resist some sage lecturing on the plight of the U.K. economy. Not so Thomas Wilcox, 58, of California's Crocker Bank; his talk is of how in his thirteen months as chief executive the bank has jerked itself away from one of the less regarded in the industry, with earnings on the slide since 1972. One of Wilcox's most spectacular steps has been to cut the workforce by a hefty 10 per cent. The U.S. jargon word is "outplacement:" 1,200 people from senior managers to clerks departed in nine months. It was not Wilcox's first such experience. After 37 years with First National City Bank (from messenger boy up to vice-chairman) he switched for a short period to the life of a professional non-executive director before going on the board of Eastman Dillon, a New York investment bank. In his two years there, the group took over rivals Blyth and Company, and Wilcox took charge of redundancies.

With the invitation to join Crocker he recognised one of the cures for a top-heavy organisational structure. With the help of a New York executive search firm, the "separation process" began, starting with senior managers. Wilcox claims that 90 per cent. moved to new jobs with equivalent status and pay. "I've done all the jobs that were involved," he says. "And I was a clerk longer than I was an officer. We were not ruthless."

Crocker only has two full branch offices abroad: London and Tokyo. Does his visit to Britain mean the axe swings here too? True, the manager and deputy manager in London have changed, but with the increased emphasis on corporate banking, "I've found the staff here too modest, to small for the operation we have in mind," Wilcox says.

Buzz

The late Mrs. Ivy Mabel Blackhurst of Sheffield left £22,000 on trust to take care of her cat Blackie for up to 20 years. Interviewed about the news yesterday a neighbour said the Blackhursts were a "peculiar couple. She used to stand at the gate with a monkey on her shoulder, and he kept bees."

Observer

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FINANCIAL TIMES SURVEY

Thursday June 5 1975

Ivory Coast

Ivory Coast's development over the past 15 years has been characterised by steady economic growth and continuing political stability. In this Financial Times Survey PAUL ELLMAN of our Foreign Staff looks at the strategy behind these achievements and examines the main sectors of the country's economy.

Stern tests lie ahead

BY ANY STANDARDS, let alone those of other African countries, the achievements of Ivory Coast since independence in 1960 have been astonishing. With a population of only 6m. and relatively little in the way of natural riches to start off with, the French-speaking West African country has *transformed itself* into a success story in a continent which has porduced more than its fair share of disappointments over the past 15 years.

Since 1960, Ivory Coast has persistently enjoyed the highest growth rate in Black Africa, with its GDP rising by an average of 8 per cent. a year. In the process, its capital, Abidjan, has grown to a bustling metropolis of almost 1m. people, complete with mushrooming skyscrapers, elegant shops and fine restaurants.

All this has been largely due to the happy coincidence of high prices for the primary products the country produces, notably coffee, cocoa and timber, with a cold-blooded decision by President Felix Houphouet-Boigny to grant a free hand to foreign investors, who benefit from one of the least restrictive investment codes in the world.

The Ivorian Government has also relied heavily, at one end of the scale, on the army of French planners who *abound* in every Ministry in Abidjan, producing one glossy report after another on fresh paths the country's development might take, and, at the other end, on workers from neighbouring African states, who represent almost 40 per cent. of the work-force, often occupying the lowest paid positions.

This reliance on foreigners remains a major preoccupation of the Ivorian authorities, but the proportion of jobs occupied by non-Ivorians declined by only 1 per cent. in the three years 1970-73 and there is little the Government can do, so long as the economy remains relatively buoyant, to *give Ivorians* the taste for menial tasks.

The presence of so many Whites in the country—their numbers have gone up almost five times since independence—has also been seized on by Ivory Coast's critics as further proof that the country is not "really" independent.

The critics have never been in short supply and the country has been subjected to a barrage of analyses all aimed at demonstrating that its alleged achievements are illusory and that sooner or later it will *become the victim of the con*tradiction of having continually to strive for growth simply in order to meet the bills it has to pay for previous development.

Nevertheless, it would be *churlish* to deny that *Ivorian* officials themselves are unaware of how brittle the country's economy remains, despite the massive investments designed to broaden its export base, and there is a continuing fear that the country's achievements could disappear overnight.

Striving

The outside observer might indeed be tempted to compare the atmosphere of present day Abidjan with that of a town caught up in the Californian gold rush, were it not for the fact that the Government is *continuously striving* to lay the foundations for a perhaps less breackneck, but possibly also more secure economic future.

The great danger now is that the fall-off in foreign investment and the general downturn in the markets for Ivory Coast's primary products will arrest development at its present phase, at least for some time into the future. The Government is aware that this could be politically catastrophic in view of the fact that relatively little of the wealth generated in the boom years has filtered down to the average Ivorian, who still lives at virtually the same level of subsistence as he *did in 1960.*

It is presently relying heavily on the goodwill it built up during the boom years to borrow its way through the present situation, which has produced the first faltering so far in the race for growth.

Such an approach requires strong nerves, and the next few years are likely to provide a stern test of the political maturity of Ivory Coast's rulers.

Apart from the economic "miracle," Ivory Coast has managed to make its weight felt disproportionately on the African diplomatic scene, thanks largely to the fact that *President Houphouet-Boigny* was the pioneer of "dialogue" with South Africa as far back as 1971, when the recent understandings between Pretoria and Lusaka were unthinkable.

Dialogue in effect remains the essence of M. Houphouet-Boigny's approach to politics, and is something to be engaged in not only with white South Africans, but also with his own countrymen.

The President's rule has been remarkably stable by African standards, despite student discontent in 1968 and 1971, and a rather bizarre uprising at Gagnoa in 1970, the alleged instigators of which were only *brought to trial last year.*

Whether this stability will survive M. Houphouet-Boigny's departure from the political scene is a cause of continuing anxiety in Abidjan, notably since the Baoule tribe, the President's own people and the richest group in the country, although far from the majority, continue to monopolise political power.

Giving other ethnic groups the impression that they have not been forgotten has become something of an obsession with Ivory Coast's rulers and great *play is made of the investments* already made in such projects as the port of San Pedro in the west and the location of sugar plantations aimed at making the country self-sufficient in sugar around Ferkessedougou in the north.

Infrastructure investments, so far, have produced slightly disappointing results, the sugar programme, which is managed by Lonrho, having run into difficulties, while San Pedro has been hit by the slump in the timber trade.

President Houphouet-Boigny during a recent tour of the country.

Kossou

The changes wrought by the energy crisis have, however, made at least one of the country's pride and joys, the hydro-electric dam at Kossou, on the Bandama river near the President's home town of Yamoussoukrou, viable at last. Work on a second dam—further down the river at Taabo, the site on which the Government was originally advised to build the first—has now been started and is expected to be completed by 1979 at a cost of CFAFrs.28bn.

State-financed projects are likely to play an increasingly important role in future development of the country, making it more closely resemble perhaps other developing nations. Whether it will succeed in this second, and in the long term more crucial, stage of its development is becoming increasingly difficult to assess. However, the spirit of can-do is still flourishing in Abidjan's corridors of power and Ivorian offcials, having seen past gambles pay off handsomely, remain convinced that the country can weather present difficulties and emerge stronger than ever.

BASIC STATISTICS

Area	124,550 sq. miles
Population	4.5m.
GNP	Frs. 411bn.
TRADE (1973)	
Imports	Frs. 157bn.
Exports	Frs. 190bn.
Imports from U.K.	£3.9m.
Exports to U.K.	£15.2m.
TRADE (1974)	
Imports	Frs. 272bn.
Exports	Frs. 291bn.
Imports from U.K.	£6.5m.
Exports to U.K.	£19.9m.
Currency	CFA Franc
	£1=Frs. 463

Forecasters of the collapse of the Ivorian experiment in open-door capitalist development have been continually confounded by an average growth rate recorded at 8 per cent. since independence. But there are signs of a slowing down. Vital sectors are controlled by foreigners.

Slower economic growth

THE RAPID and sustained growth which has been the hallmark of the Ivorian "miracle" since independence in 1960 is finally showing signs of slowing down. Estimates of public expenditure for 1975 were accompanied by a gloomy analysis of the world economic climate and its likely effects on the Ivorian economy as well as by a blunt warning from M. Henri Konan Bedie, the Finance Minister, concerning future expectations. "It is no longer possible to base the growth and development of the Ivorian economy to the same degree as in the past on the expansion of our exports," he said.

While ruling out autarky, he stressed that something would have to be done to cut back on non-essential imports and urged "more machines and capital goods and fewer foodstuffs and superfluous products." Of course, citizens the world over have become increasingly accustomed during the past two years to hearing exhortations like this from Finance Ministers grappling with the after effects of the Yom Kippur war.

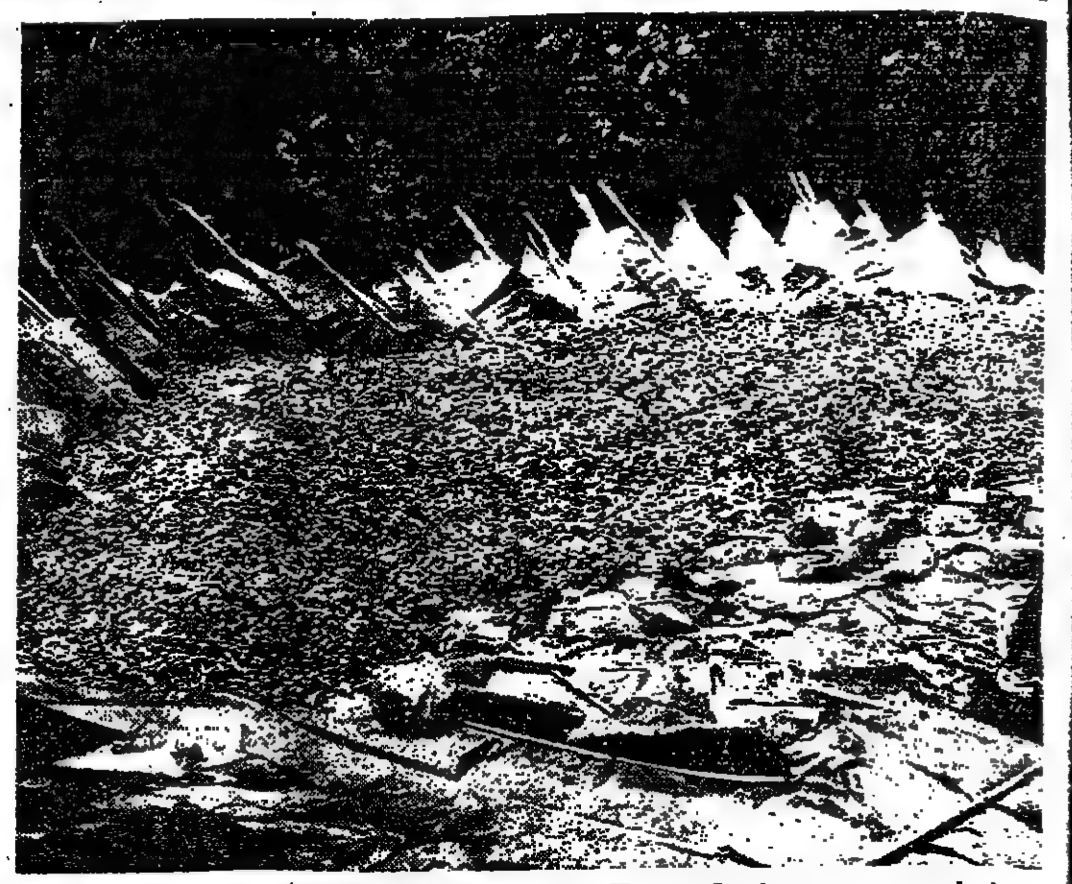
What gave M. Konan Bedie's remarks added weight, however, was that they came against the background of a year in which Ivory Coast chalked up a trade surplus of Frs.54bn. and, against all expectations, a balance of payments surplus estimated at Frs.20bn., the highest ever, as well as a 5 per cent. real growth in GDP. Prophesying the final failure of the Ivorian experiment has long been a favourite sport among commentators whose ideological predispositions or faintheartedness rejected the "open door" capitalism which allowed the country to record an average 8 per cent. growth in GDP since independence. Yet the country's economy has gone from strength to strength while other African countries have seen themselves trapped with near-zero growth.

All this has been achieved without substantially greater natural resources than many neighbouring states. Even now, despite diversification efforts, three products — coffee, cocoa and timber—account for more than 70 per cent. of Ivory Coast's overseas earnings.

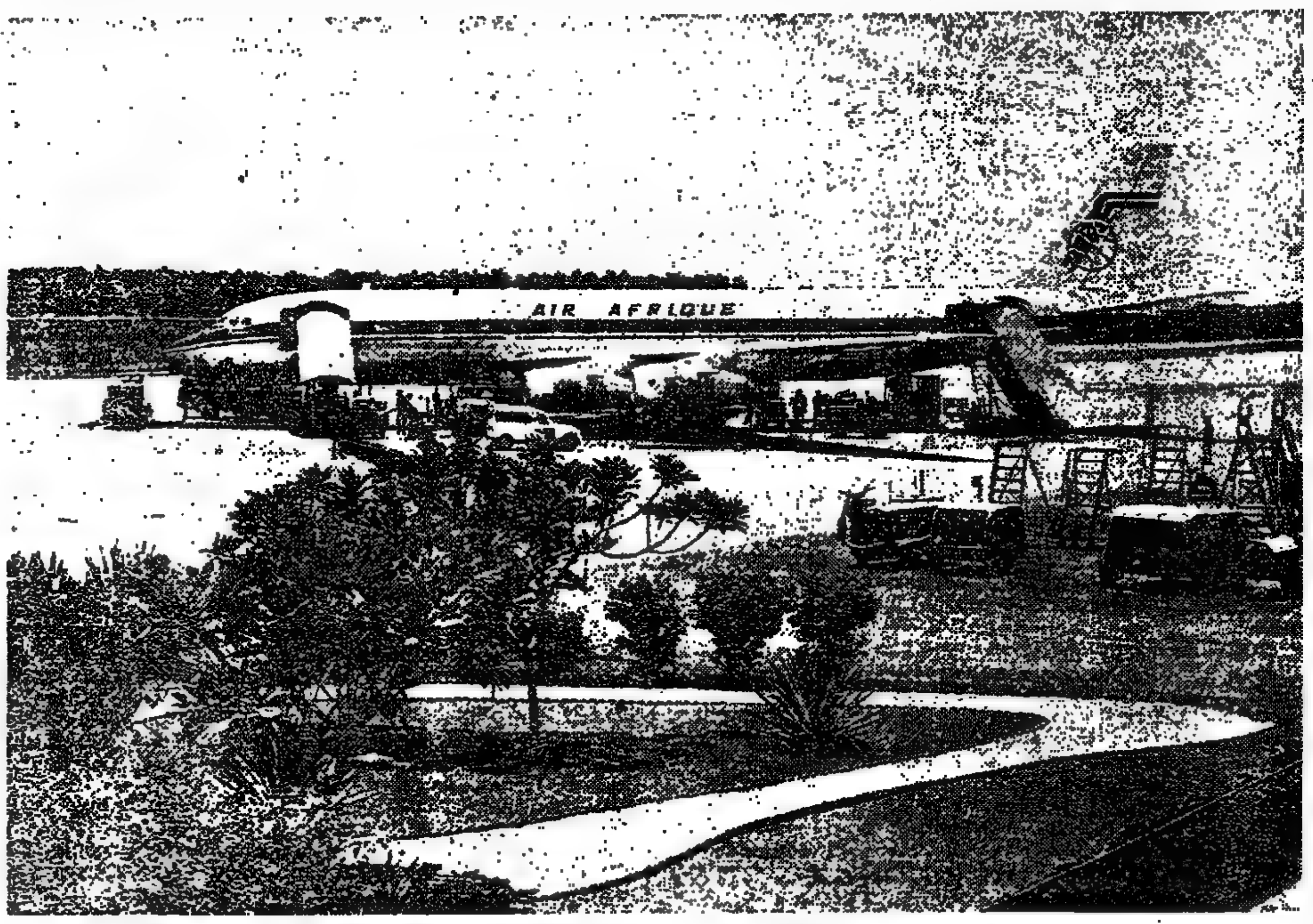
Despite the massive influx of foreign investment during the "decade of growth" the country's industries still make only a relatively insignificant contribution to the economy and two-thirds of the population rely directly on agriculture for their livelihood.

Indeed, the sharp rise in foreign investment created its own problems, which the country is still a long way from resolving. The number of Frenchmen in the country is now approaching 50,000, compared with only a little over 10,000 in 1960, and there is a real possibility that their numbers will grow further if the country should succeed in developing any of the major industrial projects for which it has been seeking international support.

The funds transferred by these foreigners, along with profits repatriated by foreign companies, represent a continuing drain on the country's resources, with an amount estimated at around 15 per cent. of the GNP leaving the country each year in the shape of capital exports.



Coffee is one of Ivory Coast's major exports. Here coffee beans are seen drying in the sun.



An Air Afrique jet at Abidjan, where the airline has its base.

Loath

With new foreign investment in extremely short supply in the present international climate, the Government is clearly loath to do anything which might kill the goose that has laid so many golden eggs over the past 14 years, and it is highly unlikely that steps will be taken in the forseeable future to curb capital exports from the country.

The circumstances in which it could do so—continuing massive increases in exports and increasing mobilisation of locally held capital—do not exist at the moment and are unlikely to do so in the immediate future, particularly since inflation has produced a decline in savings. The State, meanwhile, has found itself taking on an increasingly large share of the country's development, with the Government's investment budget last year totalling Frs.44.3bn., and rising to Frs.54bn. in 1975. To finance this, Ivory Coast has been driven increasingly to borrow abroad, and the level of indebtedness has risen steadily from Frs.92.4bn. in 1970 to Frs.143.8bn. last year.

News that servicing the debt would cost Frs.18.8bn. last year, compared with Frs. 12.4bn. in 1973 produced a flurry of comment in some circles. The Ivorian authorities were extremely irritated by these comments, which carried implications that the country could not meet its commitments, and point out that the reason it was so high was because Frs.4bn. more than originally foreseen was reimbursed during the year. Indeed, the servicing of the debt is expected to fall back to Frs.16.8bn., this year, representing a more linear growth which the authorities feel is in tune with the continuing development of the country.

Nevertheless, the Finance Ministry is expected to take steps to curb borrowing on the international market by state corporations, which negotiate their own loans on the basis of Government guarantees. The rapid growth in this sector can be shown by the fact that borrowings by state corporations shot up from Frs.3.3bn. in 1972 to Frs.9.6bn. last year.

Testimony

All the same, the fact that Ivorian State has been able to continue to borrow so easily from international bodies, is a striking testimony to the standing of the Houphouet-Boigny regime. It is even more striking when it is considered that Ivory Coast's reserves have traditionally never been particularly healthy, tending to hover around the level where they cover less than a month's imports.

This has been made possible to a certain extent through its membership of the West African Monetary Union (Union Monetaire Ouest Africaine). Reserves of the six nation grouping are held in a common account at the Bank of France, which also guarantees the CFA franc's parity with the French franc. (Frs.50-Frs.1). As a result, Ivory Coast can to a large degree rely on the monetary caution exercised by its partners, Upper Volta, for example, normally tries to keep its own reserves at enough to cover six months of imports, to ensure that its currency remains strong.

The growing State share in the economy financed by this borrowing has brought a large number of associated problems in its wake, notably the greater danger of corruption and the lack of business flair which has made many State corporations only marginally profitable. Moves to dynamise the country's managers are currently under way, with the status of civil servants being changed and the banking sector being introduced to wide-ranging reforms.

A major hindrance to the development of a risk-taking approach has been the failure of the banks to adapt to the need of a swiftly-changing economy. Until only recently, for example, the banks submitted all requests for loans to the central bank for approval, a procedure which has now been halted.

In the long run, the Government is counting on the success of Ivorianisation to give Ivorians both the taste and the feel for business which the country will need if it is to break the grip that foreigners still hold on its economy and finance future growth from its own resources.

هكذا الأمل

President Houphouet-Boigny keeps a strong grip on Ivory Coast's political reins. However, his choice of successor has not been widely approved and his basic strategy since independence, particularly in foreign affairs, has also been criticised.

Stable political base

IVORY COAST last month got round to recognising formally that President Felix Houphouet-Boigny, the cunning planter who led the country to independence, would not be there for ever.

Article 11 of the constitution was amended to provide that, while the President was abroad or in the event of his death, his duties should be taken over by the President of the National Assembly.

In effect, M. Houphouet-Boigny was letting it be known that he has chosen as his heir apparent M. Philippe Yace, who apart from chairing the Assembly is also general secretary of the country's ruling PDCI party. How the choice has gone down with Ivorians is difficult to tell in the closely-controlled atmosphere of Abidjan, but M. Yace is widely regarded as unpopular in the country as a whole.

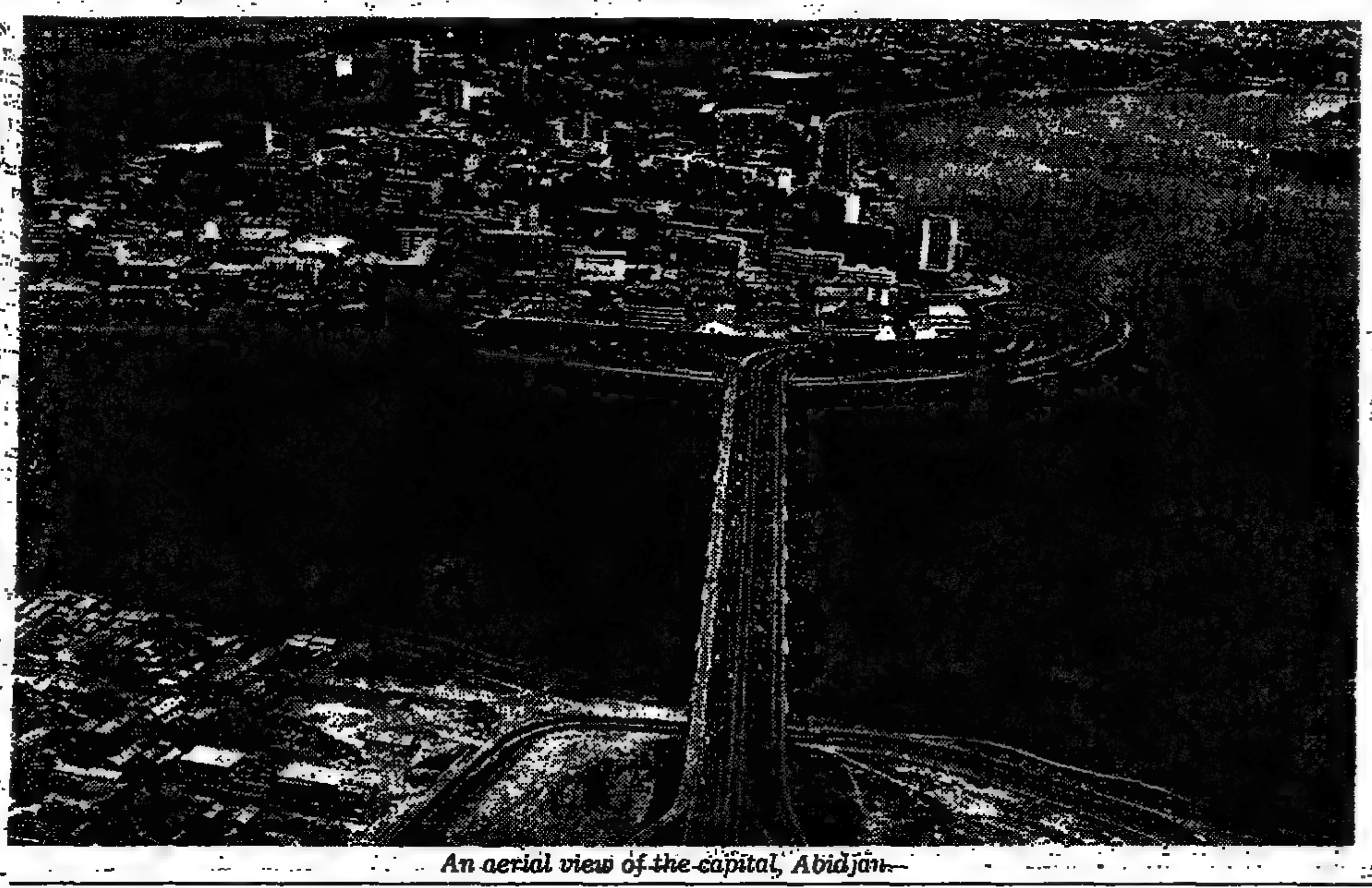
M. Yace's own political beliefs remain virtually unknown, although it is felt that he would pursue a rather more nationalistic line than M. Houphouet-Boigny. His performance so far has been characterised by extreme loyalty to the President and it is perhaps to this that he owes his choice as successor.

Ambitions

In any case, his apparent selection as successor to M. Houphouet-Boigny has not put *an end to the ambitions of* others, notably M. Konan Bedie, the Finance Minister, who is presently out of favour with the President, and in the slightly longer term, of M. Laurent Dona Fologo, the young former editor of Fraternité Matin, who was appointed Information Minister in last year's Cabinet reshuffle. Another outside contender is M. Mathieu Ekra, the Interior Minister, who has the advantage of coming from a small coastal tribe and who can also expect to win some popularity for the introduction of elected local *government, which will free the* provinces from the often dead hand of central rule from Abidjan.

None of this means that M. Houphouet-Boigny, now 69, is thinking of gradually withdrawing from the political scene. The President, known universally as "le Vieux," remains visibly in command, continually playing off one *faction against the other, both* within his Cabinet and the upper echelons of the PDCI, and generally succeeding in giving all sides just enough to keep *them happy for the time being.*

M. Houphouet-Boigny so overshadows the other members of his Government, that it is difficult *to see how the country's* remarkable stability will be maintained after his death. Yet, despite the highly personalised nature of his rule, there are few signs of the personality cult which has been built around other African leaders. Shops and businesses have not been obliged to hang photographs of the Head of State on their walls and, while the President's movements and utterances are sure of a front page display in the only newspaper, Fraternité Matin, they are on the whole treated with a lack of slavish adulation.



An aerial view of the capital, Abidjan.

Absence

The almost total absence of public discussion of the political options facing the country can mislead the outside observer into believing that politics, as *a process in which people seek* power to achieve certain goals, barely exists in Ivory Coast at all.

But one does not have to dig too far to discover that many Ivorians, particularly intellectuals, question the whole strategy the Government has *followed* since independence, particularly in allowing foreigners not only to maintain but to tighten their hold on the country's economy. At the same time, M. Houphouet-Boigny's call for "dialogue" with South Africa as a way of killing apartheid with kindness is widely criticised by Ivorians and, indeed, is barely mentioned *officially inside the country.*

A further source of discontent is the disproportionate amount of political power wielded by members of the President's own tribe, the Baoules, who inhabit the most developed Western part of the country. In a bid to redress this, *M. Houphouet-Boigny last* year announced that developing the hitherto deprived regions was henceforth his Government's first priority, and kicked off the campaign with the pilgrimage to the North, the poorest part of the country and one which was affected by the *Sahelian drought in 1973.*

The President discovered that the area was suffering from "shameful" neglect and returned to announce Frs.9bn. would be allocated to build roads, bridges, schools and clinics for the North.

How far M. Houphouet-Boigny succeeded in defusing grievances in the north rather than simply raising expectations remains to be seen, but *regionalism* remains a major part of the Government's stated policy as it warms up for September's Presidential and National Assembly elections, which are both expected to see M. Houphouet-Boigny returned for another term with a huge vote, although there is speculation that voting for the Assembly may be marked by a *low turnout.*

Strategy

As part of his *strategy* of always trying to head off potential threats to the established order in advance, M. Houphouet-Boigny last year also introduced the military to the administration, appointing Colonel Ouassenna Kone Secretary of State for the Interior and Commander Fadiga Lamine Secretary of State for the Navy. Military men were also named sub-prefects in a number of areas. Again, as with his wooing of the regions, only time will tell if M. Houphouet-Boigny has satisfied the military with these moves or simply given them a *taste of political power which* will lead them to ask for more eventually. In any case, French officers still occupy a number of key positions in the Ivorian armed forces, and a 450-man force of Marines is stationed at Port-Bouet as a further disincentive to local military *plotters.*

In foreign affairs, President Houphouet-Boigny has begun playing slightly less of a maverick role, despite the meeting he held last year with South African Premier John Vorster at his private estate at Yamoussoukro.

At the same time, the Ivorian leader has taken an increasingly active interest in the liberation movements of Southern Africa, forging extremely close links with the Marxist-leaning MPLA movement in Angola.

The President has again let it be known that Ivory Coast is not prepared to be a "chasse privée" for French interests although the former colonial power remains by far both the biggest buyer and supplier on the Ivorian market. M. Houphouet-Boigny has also apparently overcome some of his previous mistrust of the English-speaking African nations, and was an enthusiastic participant in the Lagos summit at the end of May which saw the creation of the 15-nation Economic Community of West African *States* (CEDEAO). The Ivorian leader eventually delayed his departure from Lagos in order to hold lengthy private discussions with Nigeria's Head of State, General Yakubu Gowon. How far M. Houphouet-Boigny is now prepared to go down the road of pan-Africanism is still an open question, and officials in Abidjan still cite a comment he made some years ago, that African unity was no more than a way of sharing poverty.

The pace of "Ivorianisation" of business and industry has quickened over recent years, but the Government still gives a welcome to foreign investors and is being careful not to impose controls that will deter investment.

Foreign influence on the wane

OUTSIDE CRITICS of Ivory Coast's development strategy have above all tended to seize upon the fact that the bulk of the country's economy remains firmly in the hands of foreigners.

In the first ten years after independence, the so-called "decade of growth," these criticisms were largely shrugged off by the Ivorian Government on the grounds that the boom would not have been possible if foreign investors were continually obliged to cast an eye over their shoulders to see if their interests were in danger of being nationalised. Between 1960 and 1970 according to a study carried out at the time the percentage sha e of nationals in the Gross Domestic Product in fact declined from 46.8 per cent. to 32.3 per cent. and it is only relatively recently that the Ivorianisation ceased to be more than simply a demand by disaffected Abidjan intellectuals and instead became adopted as official State policy.

Initially however there was a feeling that the Ivorianisation could be achieved without the need to exercise too much pressure on foreign investors. The idea behind this being that the country's soaring growth rate would create enough room for both foreign and Ivorian owned enterprises to exist side by side.

Among early moves in the direction was the reservation of certain activities notably coffee and cocoa growing for Ivorian nationals. The Government also decided to break the hold of French interests on the timber industry by deciding that the all new forestry exploitation permits would be granted to Ivorians only.

These steps were accompanied by a certain degree of exhortation to foreign business interests to grant Ivorian interests a bigger say in their activities but it was not until 1973 that anything in the way of real progress began to manifest itself. Following the creation of a special Ivorianisation Committee by the country's supreme political body, the Political Bureau of the ruling PDCI Party, the number of enterprises which embarked on at least partial Ivorianisation according to figures published by the Ministry of Finance, moved from 52 per cent. in 1973 to 76 per cent. last year. How much of this simply consists of lip-service to official policy is difficult to ascertain but the feeling expressed by one local businessman. "Oh yes we took on an Ivorian and called him deputy director or something like that, gave him his own office and then left him to amuse himself," is probably more wide-spread than the Ivorian authorities would like to admit.

According to a poll conducted at the end of last year by the Finance Ministry among the country's 300 biggest companies Ivorians occupied only 29 per cent. of top management posts, compared with 67.4 per cent. held by non-African foreigners and 3.6 per cent. by citizens of other African countries.

The Government says that it intends, in co-operation with private business, to ensure that by 1980, Ivorians will occupy 60 per cent. of executive positions in the private sector, but concedes at the same time that a major stumbling block remains finding recruits of the right calibre.

Despite the rapid growth of higher education with the number of degrees awarded by the University of Abidjan increasing from 288 in 1968 to 1,612 in 1974, Ivorian graduates tend to be unsuited to the needs of an economy increasingly oriented towards commerce and industry.

Arts and law together accounted for almost half the degrees awarded in the last academic year while science and economics together represented only 35 per cent. This is largely explained by the fact that the chances of finally obtaining a degree are only 34 per cent. in the Science Faculty while in the Arts Faculty, they are 61 per cent.

The Government is counting on the operation of supply and demand in the jobs market to counter this tendency in the years ahead but as an interim measure, it has set up a number of centres designed to provide arts graduates with at least a rudimentary training in industrial and commercial practices.

Even if the Government does succeed in its relatively modest aims concerning the placing of Ivorians in key positions inside foreign-owned enterprises the task of actually giving local citizens a real stake in the ownership of the developed sector of the economy will obviously be much more difficult given the lack of indigenous capital resources.

Resistant

Nevertheless, as M. Henri Konan Bedie, the Finance Minister, pointed out in a recent interview, while the Government remains firmly opposed to outright nationalisation of foreign companies, it is equally committed to ensuring that at least 51 per cent. of their capital should eventually be in Ivorian hands whether these belong to the State or private investors. As far as wholly private businesses are concerned the Ivorian Government has created three complementary bodies aimed at aiding the development of the locally-owned private sector. The most important of these is the Office National de Promotion de L'Enterprise Ivorienne (OPEI) which apart from advising local citizens on investments prospects has also acted as intermediary for those wishing to buy into foreign owned companies.

Nevertheless a measure of the caution exercised in this respect can be gauged from the fact that the only sector in which OPEI's weight has been felt so far is the relatively insignificant one of baking which is destined to become wholly Ivorian owned by 1978.

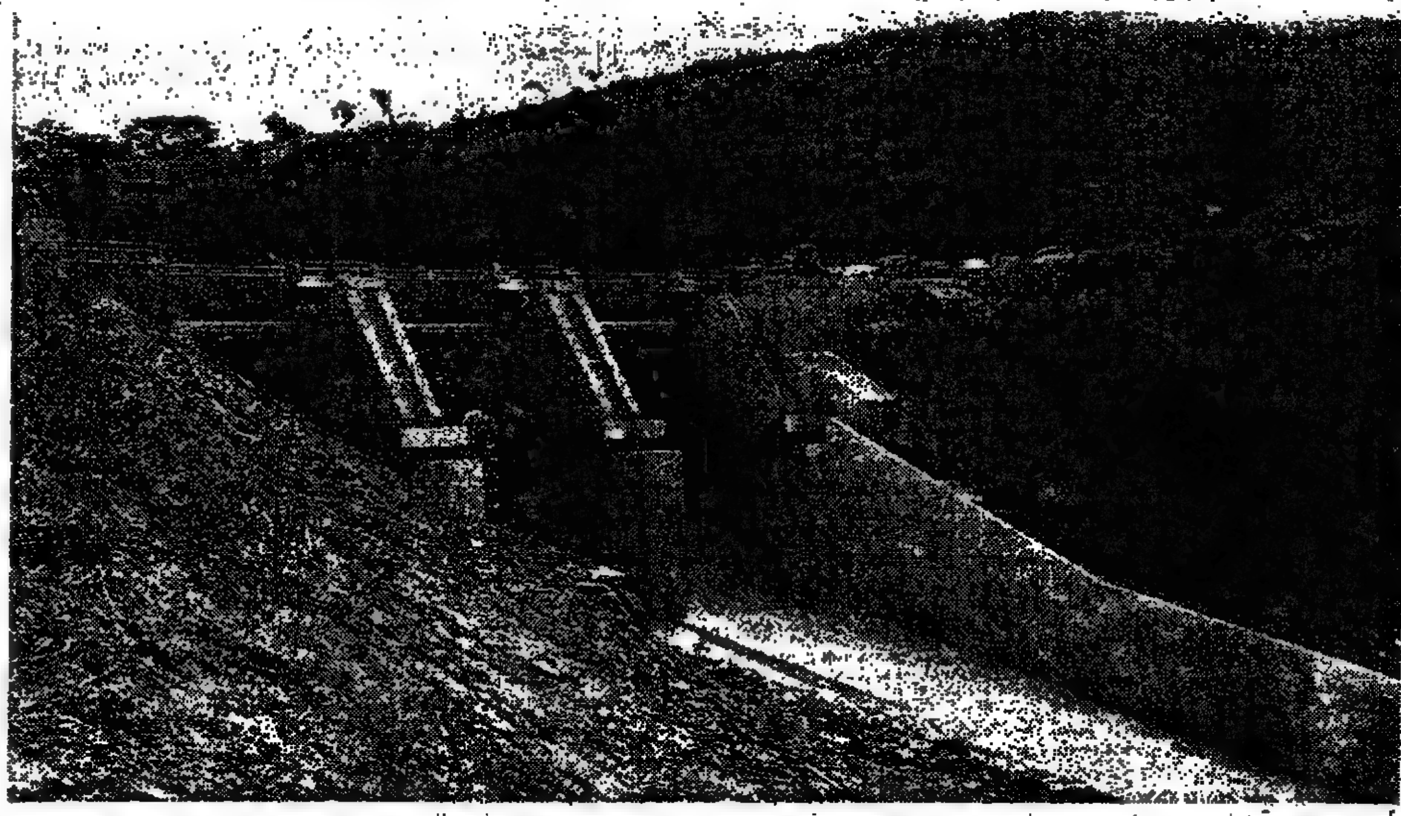
Acting in conjunction with two other organisations, the "Fonds de Special pour les Petites et Moyennes Entreprises" and the Fonds de Carantiedes Credits aux Entreprises Ivorians" OPEI has on a limited scale provided access to bank loans to Ivorians seeking to start up in the small business sector which has proved most resistant so far to the Ivorianisation programme.

Over the past five years, the three bodies have mobilised around CFA Frs.555m. in private savings which have been ploughed into investments whose total worth is now almost Frs.2bn.

How effective these measures have been towards creating and underpinning the tendency towards Ivorianisation of the private sector will not be known for some time since the Government only this year began monitoring the structure of capital holdings in the country. For the time being the most significant driving force towards a greater Ivorian stake in the ownership of the country's industry remains the State itself notably through the creation of para-statal companies in sectors considered to have strategic importance, like the drive to make the country self-sufficient in sugar, the development of tourism and the setting up of low cost retailing and wholesaling outlets.

The State's holding both direct and indirect in the private sector now stands at more than Frs.15bn. The financial year 1973-74 having seen this grow by 35 per cent. compared with a rate averaging a little over 20 per cent. in previous years.

How fast the Government will push this process in the immediate future remains something of an unknown quantity, since it remains as anxious as ever to retain its image as a haven for foreign investors. Nevertheless, with investments as a whole, whether foreign or local, stagnating as a result of the international inflationary climate, the temptation for the State to play an increasingly interventionist role will clearly grow.



The Kosson Dam on the Bandama River.

As a result of the international recession Ivory Coast has had to curtail or postpone a number of major industrial projects designed to give finished products a greater share in the country's exports.

Industry slowdown

LIKE OTHER members of the Third World, Ivorians resent not being able to share in the value added by the manufacturing process to the raw materials they produce, and a key element of the Government's strategy for the second phase of development has been the hope of convincing foreign investors that it was worth while setting up locally. For, despite the rapid and sustained growth of the industrial sector in the first 10 years of independence, fuelled by the "open door" attitude towards foreign investors and buoyant internal demand, Ivorian industry has still to move beyond the import-substitution stage. Although combined turnover of Ivorian industry grew by an average of 18 per cent. a year between 1968 and 1973, the proportion of its output which went abroad remained stable, at around 30 per cent. Indeed, the contribution of industry to total exports still remains at the level of 5 per cent. only.

The extremely favourable conditions offered to foreign investors—including, among other things, the right to repatriate virtually all profits, tax holidays lasting up to seven years and exemptions from customs duties on capital equipment—have largely failed to attract the kind of large-scale investment the country needs if it is to diversify away from its overwhelming dependence on coffee, cocoa and timber.

Among projects which have reached the level of negotiation with potential investors but have finally had to be pigeon-holed are a scheme to build a tyre plant to take advantage of the natural rubber due to be produced in commercial quantities by 1980 and another to set up a pulp mill to process part of the timber output, which still leaves the country almost wholly in the form of raw logs.

The only bright spot remains the textile industry, which is closely linked to the development of cotton growing. Designed ultimately to put Ivory Coast among the world's leading producers, cotton growing is also designed to stimulate the development of the impoverished north of the country.

Three more plants are expected to be added to the country's textile industry this year, Utexi, producing cotton yarn, creton and sheeting, Cotivo, turning out cotton yarn and cloth, and Bluebell, producing Wrangler overalls and jeans.

The Bluebell plant, with a projected annual output worth Frs.5bn., will be the biggest single overseas investment by the American group when it is finally completed. In the hope of attracting similar ventures, which are designed to export 70 per cent. of their output, or exactly the reverse of the industries set up so far, the Ivorian Government, through the Centre Ivorien du Commerce Exterieur, the State trade-promotion organisation, has launched a massive textile promotion effort which will culminate in September with an international clothing and textile salon in Abidjan.

Clothing

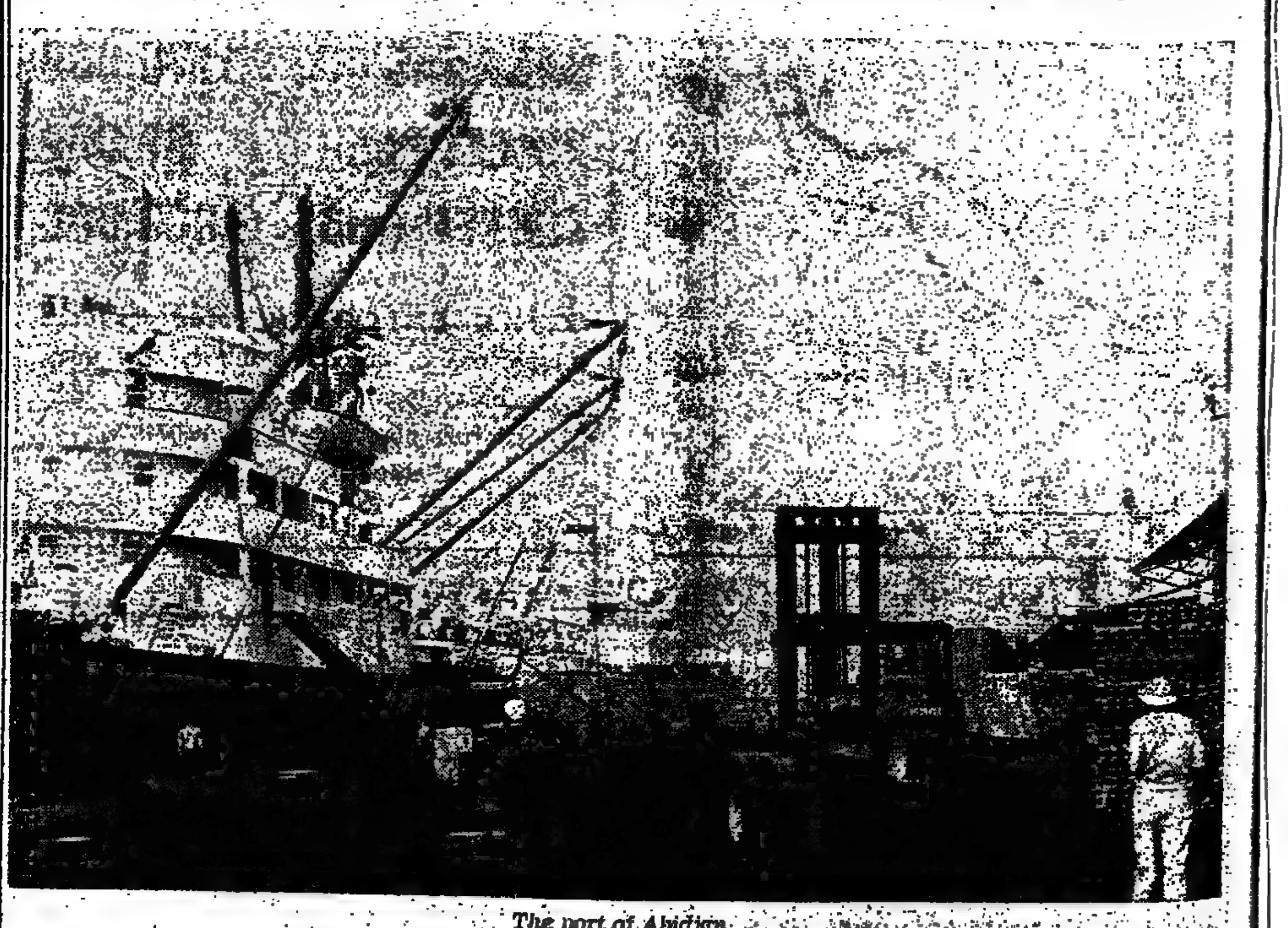
Basically, the Ivorian Government would like to see the country become a major producer of medium-cost ready-to-wear clothing which would not be at the mercy of the whims of fashion. Despite the present tooth and nail competition on world markets, it is felt that Ivory Coast stands a real chance of success. Officials point out that, while wages are higher in Ivory Coast than in the Asian countries which have swamped the bottom end of the world market, the country does enjoy access to the EEC.

Textiles apart, however, Ivory Coast is presently faced with a lean period as far as foreign private investment is concerned, although the State is committed to a number of massive investment programmes, notably for the setting up of coffee and cocoa treatment plants.

The marking time which affected exportin gindustry was also reflected among companies geared to the domestic market. According to a Chamber of Industry survey, output last year grew by only 9 per cent. in real terms, although revenues, due to inflation, rose by at least 40 per cent.

A major problem encountered by local manufacturers was the continuing health of the outside market for Ivorian primary products, which meant that they too were confronted with higher prices for their raw materials. Coupled with gathering militancy among workers, this meant that local industry saw its total costs rise by 30 per cent. during the year.

Nevertheless, a survey early this year, according to the Finance Ministry, produced signs that inflation is starting to slow down and that manufacturers are beginning to think in terms of modest new investments and slight increases in output for 1975. However, no real improvement is expected until the world economic climate as a whole shows signs of improvement.



The port of Abidjan.

ADVERTISEMENT

The Ministry of Planning and its objectives

The Ivory Coast is a country with a policy of liberal development planning.

This means that economic liberalism can find full scope within the planning policies laid down.

It is this function of development policy which is the responsibility of the **Ministry of Planning.**

The primary objective of the Ministry of Planning, created in 1966, is to promote economic and social development which is as rapid and balanced as possible, and which is calculated to make a maximum contribution to the welfare of the population of the Ivory Coast as a whole, within the shortest possible time.

To achieve this objective, the Ministry of Planning has assumed several functions, namely:—

i) **It carefully follows** all economic trends in the Ivory Coast, sector by sector. The Ministry of Planning is thus responsible for drawing up the Ivory Coast's national balance-sheet, which accurately reflects the country's economic development.

ii) **It anticipates.** Utilising all the sources of information at its disposal, the Ministry of Planning tries through its studies to ascertain the general long-term trends of the country's economic and social evolution. The Ministry of Planning has recently completed the first phase of a vast research project entitled "Ivory Coast 2000." With the assistance of 150 Ivory Coast staff involved in it, this sets itself the ambitious task of delineating the main features of the picture which it is both desirable and possible that the country should present at the close of this century. This is until now the only experiment which has been carried out on these lines in an African country.

iii) **It defines** the economic and social objectives to be achieved, in conjunction with the country's entire political strength. The definition of these objectives is to be found in the five-year development plan, which provides the framework for the country's economic and social expansion during the whole of the period for which it is applicable.

The last development plan which covered the period 1971-1975 is in process of implementation. At the present time, all the resources of the Ministry of Planning are being devoted to formulating the next development plan which will cover the period 1976-1980, and which will be integrated into the ten-year forecasts for 1976-1985.

iv) **It programmes** all the activities which are undertaken by the State and which lead the entire activities of the country towards the achievement of the objectives fixed by the Plan.

These State activities, which take the form of programmes involving substantial investments coming from various sources (public or private credits, international aid, etc. . .), are put in hand and organised on a basis of and in relation to these objectives.

This dual task of initiation and organisation falls on the Ministry of Planning, which for its accomplishment uses the most advanced techniques for programming in terms of objectives.

v) **It co-ordinates.** The effect of what has been said above is that the Ministry of Planning is called on to co-ordinate all the activities of most of the other Ministries of the Ivory Coast whose field of action contributes to the country's economic development.

vi) **It supervises.** Finally, the Ministry of Planning has a continuing responsibility for checking the implementation of the development plan.

The Ministry of Planning and its resources

For carrying out its tasks, the Ministry of Planning possesses about one hundred senior staff and specialists in all fields, distributed among several main Directorates.

i) **The Directorate of Development Studies** (known as 'D.E.D.')

This Directorate is responsible for all the general surveys coming within the sphere of the Ministry of Planning; whether it is a question of accountancy, social, economic or cultural surveys, or medium-term and long-term national surveys. It is the 'D.E.D.' which is at present providing the framework for the forecasts comprising the operation known as 'Ivory Coast 2000.'

These surveys, which are a continuous operation, take definite shape every five years when the five-year development plan is drawn up; this in turn being incorporated into the ten-year forecasts. Both plan and forecasts define the strategy which guides the development of the entire economy of the Ivory Coast.

ii) **The Directorate of multi-annual Programmes** (known as 'D.P.P.')

The main function of this Directorate is to programme the activities of the State, whether these are carried out by the Government itself or by public or semi-public bodies. Its task is therefore to apply the policy laid down in the five-year Plan by translating the general objectives into operational objectives, and by putting in hand and organising the action required to achieve these objectives.

This function takes practical shape in the production every year of a legal programme for public investment, which covers a period of three years and includes adjustable coefficients.

iii) **The Directorate of Industrial Development** (known as 'D.D.I.')

This Directorate has a threefold function as regards industrial development:—definition of the policy, programming and promotion.

This is therefore the Directorate which fixes priorities in this field and which makes efforts to promote industrial projects enabling the development to be put into effect. In particular, it is the 'D.D.I.' which prepares the documentation relating to allocation of the benefits of priority concessions to companies undertaking to follow certain lines fixed by the Plan when installing themselves in the Ivory Coast.

iv) **The Directorate for Allocation of the National Territory & Regional Action** (known as 'D.A.T.A.R.')

Development is a process which cannot be carried out in a uniform, or even in a homogeneous manner throughout the national territory. The situation is quite the reverse, since this process generates inequalities which can have a dynamic effect if they are correctly utilised. It is the function of 'DATAR' to decide what is the correct utilisation, and this can be described as a twofold task, namely:—to lay down an allocation policy for the national territory which is capable of giving a general impulse to the development process; and to formulate specific operations which make it possible to proceed with this development in certain regions.

That is to say that the activities of 'DATAR' can influence all sectors of the country's economic and social life, since they are designed to inject the essential space-factor into the five-year plan and the legal programme.

v) **The Directorate of Inspection and Synthesis** (known as 'D.I.S.')

'D.I.S.' has three functions, namely:—

— an information function as regards compilation, storage, certain types of processing, and the distribution of information concerning the country's actual social and economic situation.

— a supervisory function mainly directed towards giving advice or recommendations regarding deficiencies observed and how various operations require to be supplemented, and possibly involving inspections.

— a synthesising function involving the periodic production of a report on the implementation of the Plan, and the distribution of syntheses on specific subjects (e.g. a quarterly bulletin on the industrial situation).

vi) **Autonomous Service for Domestic Water-supply** (known as 'S.A.H.H.')

This service comes directly under the authority of the Ministry of Planning, and its sole function is the supply of drinking water to all urban centres and the creation of water-points in all villages of more than one hundred inhabitants, by the year 1980.

In carrying out this function, 'S.A.H.H.' is responsible for devising, activating, and supervising the implementation of the National Hydraulic Equipment Programme launched in 1974.

Ministry of Planning of the Ivory Coast

— Rue Lecoeur
— Post Box:— 649 Abidjan
— Telephone:— 32 43 52
— Telex:— 730 MINIPLAN
Minister:— Monsieur Mohamed T. Diawara

The Ministry of Planning and its extensions

The Ministry of Planning supervises several enterprises and public bodies which play an essential part in the development of the Ivory Coast, and thereby extends in an effective manner its contribution to the economy of the country.

i) **Ivory Coast Electrical Power** (known as 'E.E.C.I.')

Responsible for the production and distribution of electricity throughout the country, this is the Ivory Coast's largest enterprise and has a turnover of 12.6 milliard CAF.

— Its expansion has been particularly sensational since independence. In 1960, 'E.E.C.I.' was serving barely 15,000 customers and had a total output of 67 million Kwh. Fifteen years later, these figures have increased tenfold: to 122,000 customers and 855 million Kwh in 1974.

— Its output consists partly of electricity of thermic origin (Abidjan-Vridi power-station and isolated power-stations), and partly of hydro-electricity (Ayamé and Kossou barrages). To meet the demands of an annual increase of 15% in the consumption of electricity, 'E.E.C.I.' is constructing two new thermic installations at Abidjan-Vridi, is putting in hand the building of a second barrage on the Bandama (Taabo), and is studying the possibility of erecting two other barrages on the Sassandra, at Soubré and Buyo.

In all, 'E.E.C.I.' investments over the next five years amount to nearly 70 milliard CAF.

'E.E.C.I.' Post Box:— 1345 Abidjan
Telephone:— 32 02 33
Telex:— 738 ENELCI
President:— Monsier Antoine Konan Kanga
Director-General:— Monsieur Lambert Konan

ii) **National Office of Technical Development Studies** (known as 'B.N.E.D.T.')

The function of this organisation is to carry out all technical studies, planning, and estimating that the Administration, State enterprises, and mixed-economy companies consider necessary for preparing and executing development projects. 'B.N.E.D.T.' may also work for private enterprises. Its operations thus cover the widest range of technical fields (construction, town-planning, communications, drainage, printing of technical documents).

'B.N.E.D.T.' is financed mainly from the invoicing of the work it is commissioned to carry out.

'B.N.E.D.T.' currently employs more than 200 salaried staff, the majority of whom are engineers and technicians.

'B.N.E.D.T.' Post Box:— 1556 Abidjan
Telephone:— 32 27 01 32 45 57 training, etc. . . .
Director-General:— Monsieur Amangoua Lookensy

iii) **Industrial Development Office** (known as 'B.D.I.')

This organisation is primarily responsible for promoting industrial projects with potential investors, usually foreigners. This means that it acts as an extension of the Ministry of Planning's Directorate of Industrial Development.

The function of 'B.D.I.' is:—

a) In the first place, to give information to foreign industrialists on the possibilities which the Ivory Coast offers them, and to attempt to attract them by stressing the potential advantages to them of setting up operations in that country.

b) To offer advice to foreign industrialists on the process of installing themselves in the Ivory Coast; search for partners, procurement of finance, industrial sites, assistance in the field of professional training, etc. . . .

'B.D.I.' Post Box:— 4196 Abidjan
Telephone:— 22 78 81 / 32 42 86 / 32 43 13
Telex:— BURDEVI 793
Director-General:— *Monsieur Alphonse Yao Kouman*

iv) **National Office for Promotion of small and medium-size Ivory Coast Enterprises** (known as 'O.P.E.I.')

The development policy followed in the Ivory Coast takes pains to promote a class of local entrepreneurs capable of giving solidity to the industrial structure and handicrafts, and furthering and following up the activities of foreign industrialists working in the country. The promotion of this class of entrepreneurs in the Ivory Coast is the responsibility of 'O.P.E.I.', which has a twofold function:—

a) It gives useful advice to Ivory Coast nationals wanting to create their own enterprise: either in order to utilise their personal capital, or to make use of their technical knowledge.

b) It gives full assistance to all would-be entrepreneurs in making it possible for them to complete their training in a technical field or in administration and management.

'O.P.E.I.' Post Box:— 8868 Abidjan
Telephone:—22 92 71 / 22 92 72
Director-General:— Monsieur Antoine Sibi Gbeho

v) **National Office of Rural Promotion** (known as 'O.N.P.R.')

Created in 1973, it is the function of 'O.N.P.R.' to carry out and co-ordinate all activities likely to further the interests of the rural population which at present comprises two-thirds of the inhabitants of the Ivory Coast. Its activities affect not only questions connected with improving the living-conditions of the rural population (habitat, roads, drainage, communications), but also improvements in their social and cultural level (basic education).

'O.N.P.R.' aims at giving the rural population a development pattern which will allow it to keep its identity while offering the inhabitants of the villages a chance to enjoy the benefits of modern civilisation.

'O.N.P.R.' Post Box:— 20,025 Abidjan
Telephone:—32 35 76 / 32 35 79
Director-General:— *Monsieur Ousmane Diarra*

vi) **FOREXI**

Of the entities placed under the general supervision of the Plan, FOREXI was the last to come into being. Its function is to take steps to implement the vast hydraulic equipment plan scheduled for the Ivory Coast, and especially in the north of the country. From now until 1985, 7,200 wells will be bored, offering the rural population the possibility of a spectacular improvement in their living conditions.

FOREXI Post Box:— 26 73 Abidjan
Telephone:— 35 53 07
President:— *Monsieur Ade Mensah*
Director-General:— Monsieur Antoine Kouao-Adou

vii) **SODECI**

SODECI is a private enterprise in which public funds have a small share. It is responsible for the management of the water-supply and water-distribution systems in the Ivory Coast's urban centres.

SODECI Post Box:— 1843 Abidjan
Telephone :— 32 42 80
Director-General:—Monsieur Stapfer

In spite of Government attempts at diversification two thirds of Ivory Coast's population still rely on agriculture for a living. Per capita production over the past few years has not increased but earnings from the major crops—coffee, cocoa, timber—have benefited from the performance of world commodity markets.

Agriculture still the main exporter

IVORY COAST'S achievements are all the more remarkable when it is considered that the country's economic base has remained extremely narrow. Diversification efforts are not likely to produce tangible benefits until the mid-1980s at the earliest, and the country's prosperity remains overwhelmingly based on three products alone—coffee, cocoa, and timber—which together represent around 70 per cent. of its total exports.

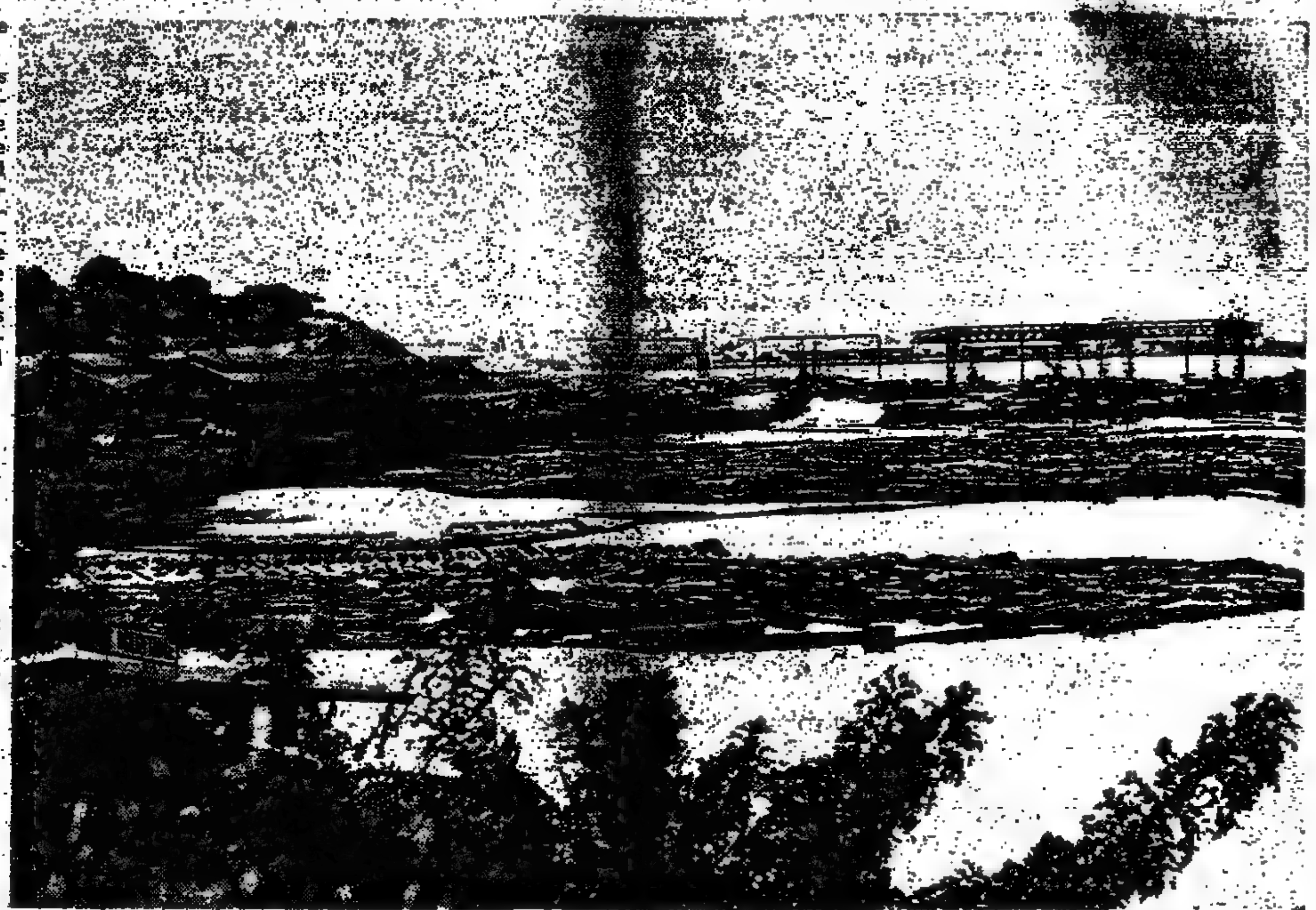
Amittedly having three major export products has made the country less susceptible to sudden changes in world prices for particular commodities unlike, for example, neighbouring Ghana which has been trapped in the vicious circle of the cocoa market.

Nevertheless it is probably true that the Ivory Coast's achievemont as a major exporters of agricultural and forestry products has owed more to the performance of world markets than it has to the efforts, laudable as they may be, of the Abidjan Government to create efficient production and distribution systems.

Although Ivory Coast was one of only six African countries to exceed the target of 4 per cent. annual growth in agricultural production set in the 1961-71 world indicative plan drawn up by the Food and Agriculture Organisation, per capita production actually declined between 1969 and 1973.

This has to a large extent been disguised by the fact that the boom conditions for Ivory Coast's principal products, notably timber, saw the value added by the agricultural sector as a whole increase by 24 per cent. in 1973 compared with 6.3 per cent. the year before and an average annual rise of around 8 per cent. over the previous five years.

The Government remains painfully aware that the situations like this can evaporate overnight, as indeed was the case with timber in the second half of last year, and is persistently looking for ways of ensuring that agricultural earnings are put on a more stable basis, particularly since despite the spectacular growth of the Abidjan conurbation two thirds of the country's population continues to rely on agricultural earnings to live.



Timber exports are a major source of Ivory Coast's foreign earnings. Current work is aimed at interesting buyers in different species of wood from those traditionally exported.

TIMBER

UNDER NORMAL circumstances the massive drop in demand for Ivorian timber in the second half of last year would have been catastrophic for a country for which forestry provides the third biggest single source of export earnings.

After increases averaging 12 per cent. a year in log exports since 1970 fuelled largely by the construction boom in Western Europe the second half of 1974 saw exports fall by half virtually overnight, and the year as a whole finally showed a drop in timber exports of just under 19 per cent.

But, while such sudden market movements cannot fail to cause some concern in official circles, there is also a certain amount of relief that the hectic pace which at its peak saw production running at 440,000 cubic metres a month has slackened off. For Ivory Coast has now reached the point where its forestry reserves, at least for the types of wood which have provided the overwhelming bulk of its exports, are virtually exhausted. Between 1956 and 1973, the country's exploitable forestry reserves fell from 9.8m. hectares to 5.5m. hectares, a drop of 44 per cent., and the process would no doubt have continued were it not for the fall in demand and the fact that remaining reserves were becoming too difficult to reach.

Realisation that this process could not continue indefinitely has at least meant that the Government has not been caught unawares by the recent recession, and efforts were started some time ago to diversify the country's timber production away from the relatively limited number of species hitherto sold abroad and to try to arouse world interest in some of the 200 other species which grow in the country and whose reserves remain abundant.

As part of this process the Centre Ivoirien du Commerce Exterieur, the State-owned trade promotion corporation two years ago started a programme aided by the European Development Fund to interest foreign manufacturers in other types of wood. Samples of 20 different species have been sent for testing by leading companies in most European countries, and the first results are expected later this year.

Exports

Perhaps more important, however, is the Government's desire to decrease the relative importance of unfinished logs in the country's timber exports as a whole. Sawn timber has come to play an increasing part in timber exports as a whole, and industrial investment in the timber sector was this year expected to pass the Cfa.Frs.4.5bn. mark with a further Frs.7bn. planned by 1980. In this connection hopes that Ivory Coast will become the first West African country to boast its own wood pulp plant still remain unfulfilled. Talks with Taiwan's Chung Hwa Pulp Corporation have so far failed to produce any final agreement.

Ivory Coast can point to a certain amount of success in the development of its timber industry. More than 40 sawmills are now operating, producing something like 400,000 cubic metres a year, while plywood and laminated aggregated beams are also manufactured locally. An Ivorian company ADK will shortly begin exporting furniture from the country, while a Danish-owned group the Société Africaine de Menuiserie has also moved into furniture manufacturing locally.

COCOA

DESPITE SLIGHT annual fluctuations Ivory Coast's cocoa production has always shown a remarkable stability notably when compared with the ups and downs of the world market for this product.

Indeed, cocoa production by Ivorian planters continues to increase at a time when other West African producers like Ghana and Nigeria are encountering declining output.

Nevertheless the country is faced with a set of increasingly major problems which will have to be resolved fairly swiftly if it is to maintain its position as the world's third biggest cocoa producer. Among these is the need to replace many of the trees which are rapidly approaching the end of their productive lives. In a bid to offset this the Government last year announced that a bonus of CFA Frs.60,000 would be paid to growers for each new hectare planted.

At the same time to meet increasing disenchantment with life in the countryside among the 200,000 families who cultivate cocoa over an area of 600,000 hectares the Government announced that the guaranteed price for cocoa would be increased by 40 per cent. from Frs.110 to Frs.175 a kilo. One side-effect of this has been a sharp increase in cocoa smuggling across the Ghanaian frontier by Ghanaian planters seeking to take advantage of the higher prices in Ivory Coast.

With total production for the 1974-1975 crop expected to grow by 6 per cent. to reach 220,000 tonnes the increases represent a 70 per cent. rise in the combined earnings of cocoa planters.

Whether this will be enough at a time when price inflation is running at around the 25 per cent. mark remains to be seen. However, the Government is playing an active part in the Cocoa Producers Alliance, a recent meeting of which in Abidjan produced a reafirmation that the producers would do all in their power to prevent further falls in cocoa prices on the world market following the sudden drop experienced in the period since last September when price levels were running at 97 cents a pound or 50 per cent. higher than in 1973.

Since Gill and Duffus, the London commodities merchants, are predicting a fall in world production of around one per cent. for the 1974-75 crop there seems every possibility that Ivory Coast as one of the few to sell its own production will at least be able to maintain its positions. However the continuing fall in the value of the dollar and stagnation on some of the European markets which account for 75 per cent. of the country's cocoa exports are causing some concern.

In the meantime the development of local cocoa-processing facilities has continued with Ivory Coast's first chocolate manufacturing company Chocodi starting operations last year and a second cocoa butter plant being started.

In effect the Government is following the same strategy as that adopted for coffee processing and ideally would like to see cocoa growers group themselves in co-operatives which would deal directly with State-owned processing companies.

FRUIT

TROPICAL FRUIT exports have produced somewhat mixed results for Ivory Coast in recent years though they have remained a considerable source of foreign exchange, particularly in the case of bananas which, until last year when they were replaced by palm oil, were the country's fourth biggest export product.

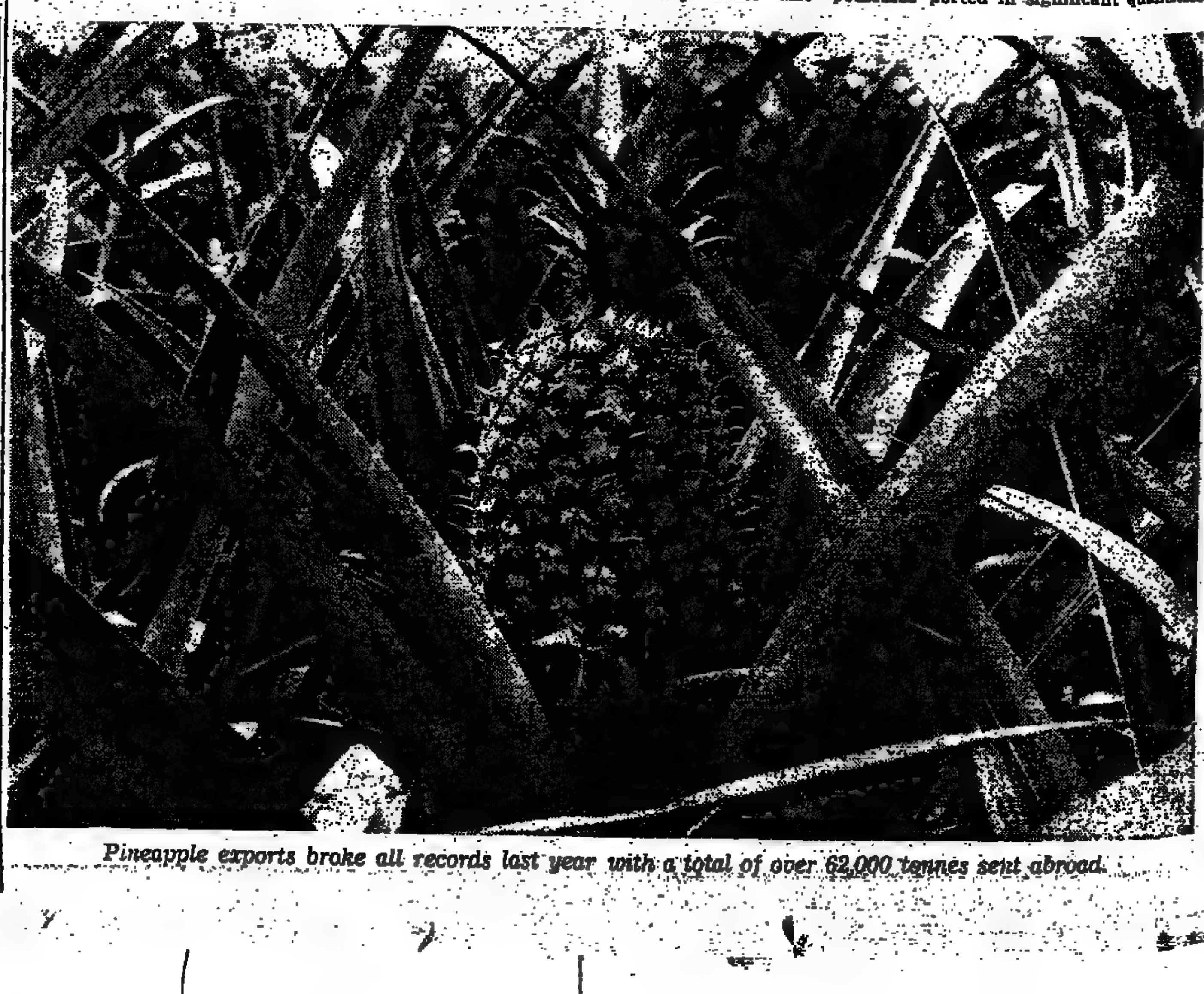
After rather a poor showing in 1973, when exports fell to 132,420 tonnes compared with 164,582 tonnes in 1972 and 140,730 tonnes in 1971, banana sales overseas last year picked up again with 158,641 tonnes going abroad mostly to France, with West Germany and Italy in second and third place.

Although this would appear to testify to continuing health in this sector Ivory Coast is concerned by the relative decline in selling prices for bananas in Europe. According to a recent United Nations study prices in real terms have fallen since 1960 by 34 per cent. in West Germany, 21 per cent. in France and 41 per cent. in Italy. At the same time transportation and packaging costs, particularly important for a fruit as fragile as the banana, have eaten deeply into producers' margins.

Pineapple exports however have continued to break all records with an increase last year of 39.4 per cent. over 1973. Total exports of fresh pineapples have grown from 22,098 tonnes in 1971 to 62,618 tonnes last year.

Ivory Coast also possesses three pineapple canning plants SALCI SIACH and SAFCO whose output is almost wholly destined to the export market. However since 1972 their total production has tended to stagnate around the 145,000 tonnes mark.

In the coming years Ivory Coast may well add a third fruit, papaya, to its list of exports if studies currently being undertaken by the Centre Ivoirien du Commerce Exterieur show that marketing and distribution problems can be overcome. A trial run is currently taking place in France to assess whether this fruit which is highly susceptible to bruising and has an extremely limited shelf life can be exported in significant quantities.



Pineapple exports broke all records last year with a total of over 62,000 tonnes sent abroad.

The Commonwealth Development Corporation has lent £535,000 to the Société Africaine de Plantations d'Heveas, in which the Government is the majority shareholder. The company's rubber plantations are being extended to 10,000 hectares. In the photograph above collected latex is being poured into tanks for transport to one of the company's processing factories.

RUBBER

AFTER PALM OIL, rubber is the next major direction in which the Ivorian Government is seeking to diversify its commodity output, although the results so far are well behind those achieved with oil palms.

The State rubber corporation Socatci is expected to start producing natural rubber from its plantations by 1980, a process which has been aided by a £500,000 loan by the Commonwealth Development Corporation, the first such loan made by this body to an Anglophone African state.

Initially, the Ivorian Government is aiming at an annual production of 19,000 tonnes a year from its own plantations in 1980, on top of output of almost 13,000 tonnes a year from privately owned plantations. A major question mark which continues to hover over the Government's plans, however, is the problem of finding a company willing to invest in a tyre plant which is considered an integral part of the programme as a whole.

Among names cited in recent years have been Uniroyal and Michelin, which has a management contract for the State plantations. Disagreements over the capacity of the proposed plant and the overall decline in the world automobile market now appear to have caused the project to be shelved indefinitely.

Workers opening a new cut on the tapping panel of rubber trees on a Société Africaine de Plantations d'Heveas estate.

PALM OIL

LAST YEAR marked something of a turning point in Ivory Coast's efforts to diversify its agricultural production, with palm oil becoming the fourth biggest single export product. There is now growing optimism in official circles that the massive investment programme undertaken since independence is on the verge of paying off.

The year saw Ivory Coast overtake Zaire to become the world's third largest palm oil exporter after Malaysia and Indonesia, with 83,000 tonnes out of a total production of 130,000 tonnes going abroad.

All this is the outcome of an investment programme whose foundations were laid back in 1960, against a background of declining output among traditional producers, and which by the end of this year will have involved commitments totalling CFAFrs.50bn.

Oil palms have always grown naturally in the coastal regions of the country and for long provided an oil used for local consumption. Studies aimed at commercialisation of oil palms were begun in 1946 by the Institut de Recherche des Huiles et Oleagineux (IRHO). These have produced a cross breed oil palm which takes only three years to bear fruit, compared with seven years for wild palms.

Other advantages of the new types are that they produce in terms of bunches a yield of 18 tonnes a hectare, compared with only three tonnes for wild palms, and that the proportion of oil has been increased from 9 to 22 per cent., the equivalent of an oil yield per hectare of 4 tonnes, compared with 0.3 tonnes from wild palms.

The investment programme has been undertaken by the State-owned palm and coconut oil corporation SODEPALM, which was set up in 1963 and has rapidly become a major force in the Ivorian economy, with a turnover last year estimated at Frs.21bn.

In the process, the area devoted to oil palm cultivation has grown to 80,000 hectares, stretching over 4,000 km. from the Ghanaian border to the Sassandra River. Of these 80,000 hectares, 45,000 are State-owned industrial plantations, among them the biggest palm plantation in the world, covering 12,000 hectares at Hania.

As a result of persistently high world prices for palm oil, SODEPALM has managed to become profitable. However, its results would probably have been less disappointing were it not for lack of success until now with the experimental outgrowers' scheme, which accounts for the remaining 35,000 hectares used for palm cultivation.

Backed by World Bank loans, which by now have passed the Frs.6bn. mark, the outgrowers' scheme was designed to produce a counter-incentive to the attractions of the city life which, as in other African countries, have drawn Ivorians in increasing numbers away from the land.

Difficulties

Under the scheme, smallholdings averaging five hectares are located within a radius of 20 km. of the nine mills operated by Palmindustrie, in which the State has a 12 per cent. stake. SODEPALM teaches the farmers new techniques, subsidises the price of fertilisers, pesticides and clones, and offers a guaranteed price for their products.

It is here, however, that the scheme has run into difficulties, with many farmers finding the guaranteed price offered by SODEPALM too low and preferring to sell their product on the private market, thereby depriving the State concern of an adequate return on its investment. In a bid to reverse this process the price paid to producers was doubled last year from Frs.4 to Frs.8 a kilogram, a move made possible by continuing high world prices for palm oil.

At the same time, despite the losses encountered in the outgrowers' scheme, SODEPALM is considering final details of a self-financed investment programme which would entail commitments totalling a further Frs.3bn. and would make Ivory Coast the world's second biggest palm oil exporter, with an annual production of around 500,000 tonnes in ten years' time. Indeed, the Corporation feels that it could go in for even more self-financed investment were it not for the fact that its present tax agreement with the Government is based on a sliding scale which it considers penalises it when its profits are high.

COFFEE

COFFEE WAS first introduced in Ivory Coast in 1880 around the same time as cocoa, but large-scale production did not begin until the 1930s. At the outbreak of the second world war annual production was running at some 18,000 tonnes a year.

After the war coffee growing accelerated rapidly and total capacity is now above 300,000 tonnes a year, mostly grown on 280,000 small family-owned plantations covering an area totalling 700,000 hectares. In the process Ivory Coast has moved into third place among world coffee producers after Brazil and Colombia, and, despite the Government's diversification efforts, coffee continues to provide a quarter of the country's total export earnings. The Government is clearly determined to ensure that these earnings are maintained and last year took steps to try to reverse an underlying trend among growers to reduce their output. This followed a particularly poor result for the 1973-74 crop, which totalled only 193,000 tonnes, the lowest in seven years. Only large-scale selling of stocks held by the Caisse de Stabilisation enabled Ivory Coast to maintain its position on the world robusta market in 1974.

Revenues

The guaranteed price for producers was raised from CFA Frs.127m to CFA Frs.150 a kilogram, and the Government points out that, with the 1974-75 crop expected to total 250,000 tonnes, the global revenues of coffee growers will thus be at least CFA Frs.37bn., representing a 82 per cent. increase over the previous crop. At the same time 1974 also gave the Ivorian Government the satisfaction of seeing its first bid to operate in conjunction with other major producers yield at least partial success. Following the creation of Cafe Mundial, which groups Ivory Coast with Brazil, Colombia and Angola in a producers' alliance, sales were suspended in July when robusta prices dropped from the 71.7 cents a lb level enjoyed earlier in the year to less than 52 cents. The suspension of sales eventually drove the price back up to 55 cents in December, which, given the rate of world inflation, was still far from satisfactory but at least allowed the Ivorian authorities to feel that producer pressure on consumers is a potentially fruitful exercise.

For Ivory Coast the essential goal now is stabilisation of its coffee earnings rather than efforts to increase overall production. In effect the Government is reconciled to eventually occupying a relatively less important position on the world market, a trend which has already begun to emerge.

The next step is towards increased processing of the coffee output in Ivory Coast itself, part of the overall strategy of moving towards the export of finished products. Last year was the first full year of operation of a coffee treatment plant set up by SERIC at Tombokro. The plant is capable of treating 35,000 tonnes a year, producing a better quality bean than that obtained by the traditional methods of leaving it to growers to take care of shelling and frying. Eight more plants of this sort are scheduled to be built in the years ahead, bringing with them the added benefit that middlemen will gradually be eliminated, thereby increasing the revenues of both the State and the growers.

The Government has been reluctant to make too big an investment in the country's tourist potential. Indeed the industry has hardly taken off either in the direction of mass tourism or high-spending visitors. However an ambitious "Riviera" project has been partly completed.

Tourist hotchpotch

THE IVORY COAST has in the past tended to adopt a somewhat ambivalent attitude towards tourism, unsure whether it wanted to attract the package tour traveller or the high-spending luxury end of the market. In the event it has attracted neither in large numbers and developments in the tourist sector represent something of a hotchpotch.

In part this can be explained by the Government's reluctance to invest in what it regards as a somewhat faddish industry—a feeling reinforced by the 1973 energy crisis and the falling value of the dollar, both of which events have made the country's principal overseas visitors, West Europeans and Americans, more reluctant to engage in long-distance tourism.

At present Abidjan possesses only three hotels of truly international standing with a total of 1,000 beds. A further 500 beds exist at two coastal ventures, Assouinde and Assinie, where Club Mediterranee has one of its villages. Apart from these there is a small chain of extremely well-run hotels dotted around the country which are owned by a State company, IETHO.

The performance of the Assouinde and Assinie ventures has if anything strengthened the case against trying to encourage mass tourism. A series of drownings—the sea off Ivoirian beaches is extremely treacherous—and a relative lack of things to do and see compared with other African countries have prevented the Club Mediterranee project from taking off properly.

Again, the visitors the Ivory Coast has succeeded in attracting have so far failed to be the big spenders it was hoping for. Daily expenditure per visitor is estimated to average U.S.$45 a day—only half the average of, for example, the Bahamas.

Nevertheless, the Government believes that it has managed to identify a potentially profitable market in the business and conference sector, and it is in this direction that its activities are now overwhelmingly oriented. Business visitors from abroad are expected to double by 1980 over the figure for 1973 and the Government in conjunction with European interests has embarked on a development programme partly financed through a U.S.$9m. loan agreed by the World Bank last week.

A 400-room hotel is being built in co-operation with an Italian group in the plateau area of Abidjan, the capital's commercial centre. The hotel, which will involve a total investment of CFA Frs.4bn., is expected to open early in 1978. Later in the same year another hotel with 300 rooms is scheduled to open, also in Abidjan. Apart from the Ivoirian majority stake, interests in the hotel will be held by the Banque de Paris et des Pays Bas and Warburgs. Negotiations are meanwhile under way with Sheraton Hotels and Novotel of Ronce for the management contract.

Discussions

Another 500 rooms are expected to be built by 1980 in Abidjan itself and the Aga Khan is among those with whom preliminary discussions have been held concerning finance.

As far as tourism proper is concerned two German groups have dropped out of plans to build holiday villages on the coast and little in the shape of concrete commitments is on the horizon.

One venture which the Government has identified as likely to yield high profits is a nudist camp. However, officials are reluctant to seek World Bank help for the project, feeling that officials in Washington are unlikely to show much enthusiasm for expenditure on such frivolities.

The difficulty is that in comparison with the business end of the market planners are forced to work very much in the dark. The Tourism Ministry is known to favour expanding the number of hotel rooms on the coast by 1,000 in the next five years but the Finance Ministry, on which it depends for approval, is believed to consider that this plan should be trimmed by at least a half in the present economic climate. Nevertheless, despite the present atmosphere of extreme prudence total investments in tourism will by 1980 have reached the U.S. $125m. mark.

So far no mention has been made of the extraordinarily ambitious—and some would say foolhardy—"Riviera" project, which would entail turning 14,000 hectacres (35,000 acres) on one side of the Abidjan Lagoon into a dazzling playground of hotels, villas, golf courses, swimming pools and yachting marinas complete with a monorail to link up its various zones.

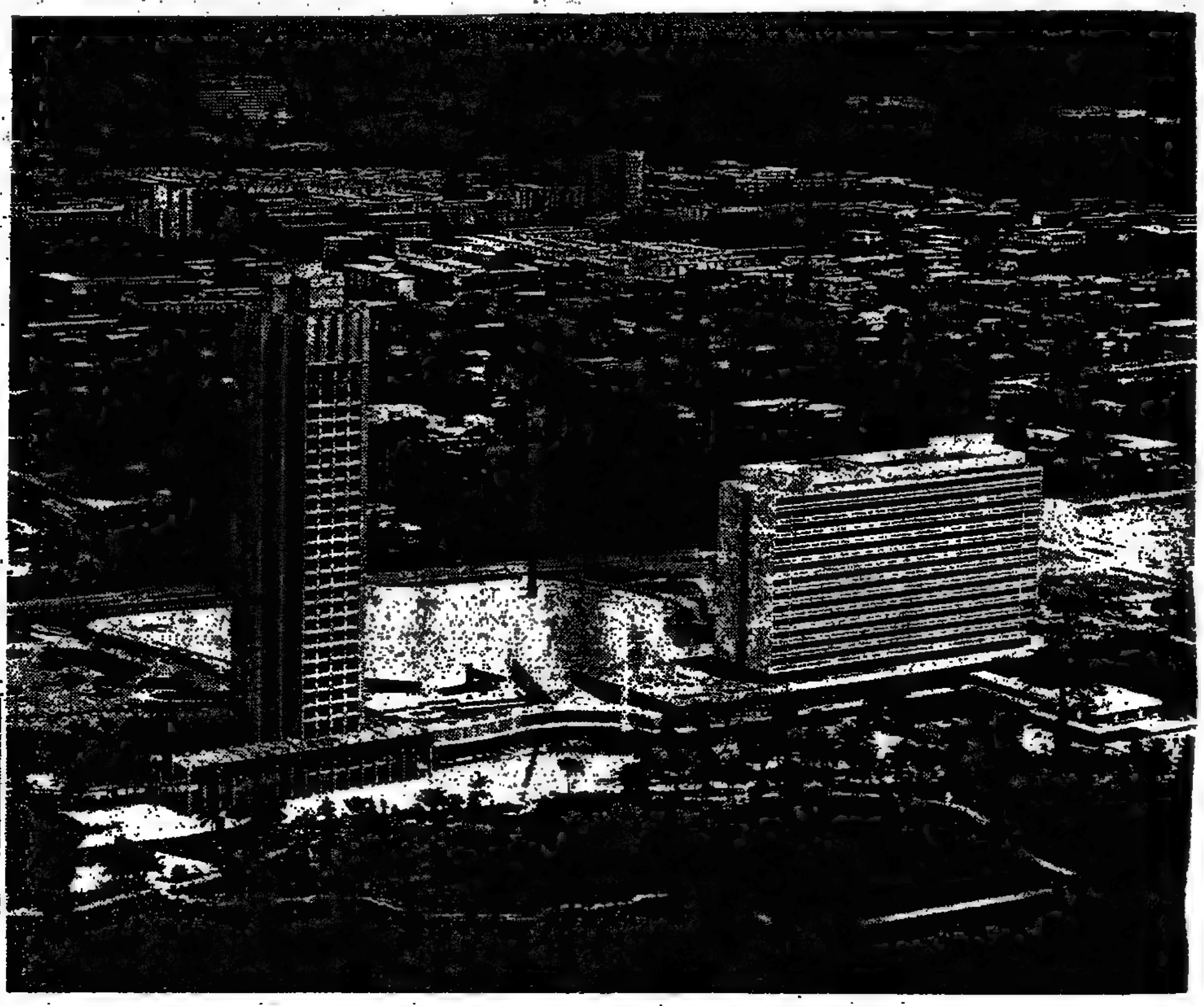
Subsidised

The project, which is the brainchild of Mr. Moche Mayer and his Geneva-based Mafit Trust Corporation, is now virtually at a standstill with only the Hotel Ivoire and a first batch of flats and villas (let at subsidised rents to local officials and French co-operants) so far completed. A second hotel, the Hotel du Golfe, is expected to be completed by the end of next year, bringing another 300 rooms on to the tourist market.

Whether the African Riviera project will ever be completed is now increasingly open to doubt, and it is clear that although Mr. Mayer remains persona grata with President Houphouet Boigny the Government feels it was ill-advised at the start. The Hotel Ivoire, while certainly less glamorous than when it first opened in 1963, remains an outstanding hotel by African standards—though it needs 62 per cent. occupancy rate to break even, a figure only achieved during the tourist season.

How much all this is costing the Government is difficult to discover, but it is known that the contract with Mafit Trust guarantees a 17 per cent. annual return on its investment. At the same time the Government is committed to covering losses made by the Trigano Group at the Club Mediterrannee.

Future investors, however, will not be able to count on this protection. The Government is making it clear to all potential partners that they will have to carry the normal range of risks associated with tourist developments.



The Hotel Ivoire and holiday village complex at Abidjan.

Up to the present, mineral extraction has made a minimal contribution to the country's development. However, iron ore deposits near the Liberian border are to be exploited by an international consortium and there is hope of oil.

Iron ore potential

A STRIKING feature of the Ivorian economic "miracle" is that, unlike in other African countries which have known relative success since independence, mineral resources have made only a negligible contribution to the achievements of the past 15 years.

Up to now, the country's mining industry has been confined to two diamond mines at Seguela, in Western Ivory Coast, with an annual production of 300,000 carats, mostly high quality alluvial industrial stones. The significance of the mining sector's contribution to the economy as a whole has in fact declined, with mineral extraction representing the equivalent of only 1 per cent. of the combined turnover of Ivorian industry as a whole in 1973, the last year for which figures are available compared with 2.5 per cent. in 1967. Now, however, there is a real possibility that Ivory Coast will be able to boast a mining sector with a major contribution to make before the end of the 1980s.

Principally, this will be centred on the iron ore mines in the Bangolo region, in the west near the Liberian frontier. After something of an uphill struggle to interest world steelmakers in the area, the Ivorian Government has succeeded in assembling a consortium, Comiferci, to exploit the deposits, which are noted for their high quality magnetite ore.

The biggest shareholder in the consortium is Mitsubishi of Japan, with 27 per cent., followed by the British Steel Corporation with 20 per cent., Sumitomo Shojo Kaisha, with 14 per cent., Usinor of France and Hoogovens of Holland with 10 per cent. each. Another 15 per cent. stake is held by Pickands Mather, a subsidiary of Moore McCormack Resources, while an Ivorian State company, Sodemi, has 5 per cent.

At least $U.S.450m. has been earmarked for the first stage of the development programme, which will centre on magnetite deposits on Mount Klahoyo, near the town of Man. The deposits, which are estimated at 385m. tonnes, have an iron ore content of around 40 per cent. Initial development work, costing $U.S.12m. was scheduled to start this year, but because of the international investment climate and the fall off in steel demand this has now been put off until at least next year.

Nevertheless, the Ivorian Government is pushing ahead, admittedly at a somewhat reduced pace, with plans to link the iron ore deposits by rail with the port of San Pedro, and a consultancy contract for the railway is expected to be awarded shortly to either a Belgian or a French company, British contenders having been eliminated through lack of experience.

Although the initial study by Pickands Mather recommended that the ore should be carried to San Pedro along a slurry pipe, the Ivorian Government feels that the more expensive option of building a railway will be justified by the boost it will provide for development in the west of the country, which has so far failed to secure its fair share of the fruits of the past 15 years.

The programme also provides for a pelletising plant to be built at San Pedro with an initial capacity of 300,000 tonnes a year, but with the possibility of expansion to 500,000 tonnes at a later date.

Prospects

In the longer term, the Ivorian Government hopes to exploit a second iron ore deposit, believed to total 200,000m. tonnes, at Mount Tia, 24km. from Klahoyo near the River Sassandra. Even further in the future is the prospect that deposits near Bangolo itself will be developed, although the cost of doing so is considered prohibitive in the light of current state of the world market and the direction this is expected to take in the foreseeable future.

In the effort towards realising the country's iron ore potential, the Government has begun a series of geological surveys designed to assess what other mineral resources may lie beneath its soil. So far these have revealed the existence of substantial nickel deposits near Sipilou, in the extreme north west of the country near the Guinean border. The minerals known to exist in commercial quantities in Ivory Coast include manganese and ilmenite near the coast between Sassandra and Abidjan, Columbite and Tantalite in the centre of the country, and gold. More than 20 small gold deposits have been located in Ivory Coast, and plans to open up one at Ity are well on the way to realisation.

The greatest hope of all, however, on the mineral front remains that Ivory Coast will one day join the ranks of the world's oil producers. The Ivorian continental shelf bears a strong geological resemblance to that of nearby Gabon, where oil has been discovered in commercial quantities. Offshore exploration by four groups—Shell, Esso, Elf and a private consortium—have so far yielded only meagre results. Nevertheless the oil companies are showing no signs of pulling out and the Government is trying to interest others in 36,000 square km. currently up for prospection.

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

About that 'shutdown of British industry'

ONE SLOGAN which is likely to be heard again when the EEC debate dies down is that of "de-industrialisation." Although it was coined by Mr. Anthony Wedgwood Benn, it received the imprimatur of Mr. Denis Healey in his last Budget Speech and is known to be worrying some of the Government's "Cambridge" advisers.

The basic concern behind the slogan is related to the declining number of jobs in manufacturing. The phrase, used by Mr. Wedgwood Benn in an article published in Trade and Industry on April 4, and *quoted in the* Budget speech, referred to a net contraction of manufacturing jobs averaging 120,000 per annum between 1970 and 1974. This was extrapolated over a decade to give a net loss of 1.2m. manufacturing jobs, or about 15 per cent. of the total, by the end of the decade. The prospect was described as a "*continuing shutdown of* British industry, low wages, rising unemployment and the emigration of our skilled workers."

Half-truth

My original reaction to this, in this column on April 24, was to call it a half-truth. A shift *from manufacturing* to services is a normal accompaniment of economic advance and can be seen in most industrial countries. On the other hand, the British rundown in the first few years of the 1970s seems abnormally rapid. The figures up to 1973 could be explained by a very sharp rise in productivity in the manufacturing sector. But this rise has not continued; and the profit squeeze, together with uncertainties over inflation and Government policy, is a real threat to the manufacturing sector.

Some new official light on the whole issue has been shed by a projection of employment prospects for 1971-81 published in the *Department of Employment Gazette* for May. These show a rather different picture. The estimated fall in manufacturing over the decade is given as 530,000, a drop of 8½ per cent.—not 15 per cent.; and, so far from emigration or mass unemployment, a gain of jobs in other sectors is forecast.

The chief value of such "*forecasts*" *is not that they* predict the future, but that they set out systematically the implications of the past and present. A simple extrapolation of a short period of years can be distorted by all sorts of events, such as a recession, a temporary productivity spurt, or a confidence crisis. A more sophisticated exercise, such as *that reported in the DoE Gazette*, can attempt to get behind these distortions to the underlying trends.

There is a further point. Underlying trends in the distribution of the labour force are relatively stable and give more guidance of at least a qualitative kind than forecasts of output, employment and the *balance of payments*, where the situation is much more volatile.

The Department of Employment projection shows not only a more moderate drop in manufacturing than the Benn article. The total number of jobs is actually expected to rise by 1,090,000 between 1971 and 1981. This is due to a combination of a trend towards "higher *activity rates*" (*that is greater* participation in the labour force) by women and a lower unemployment rate. Even without the unemployment assumption, the total number of jobs would still rise. The importance of the projection is not, however, in the absolute job total but in what it tells us about trends in the distribution of employment.

The prospective fall in manufacturing employment is shown as *only slightly more severe* than in the previous decade. The best way of showing this is to subtract the average annual change in the number of employees in manufacturing from that in the total labour force. In this way, one obtains an idea of the changing distribution of manpower, which is not dependent on the estimate of *total* employment. On this basis, the numbers in manufacturing grew at 0.5 per cent. per annum less than total employment in 1961-71 and are expected to grow by 1.1 per cent. less between 1971 and 1981.

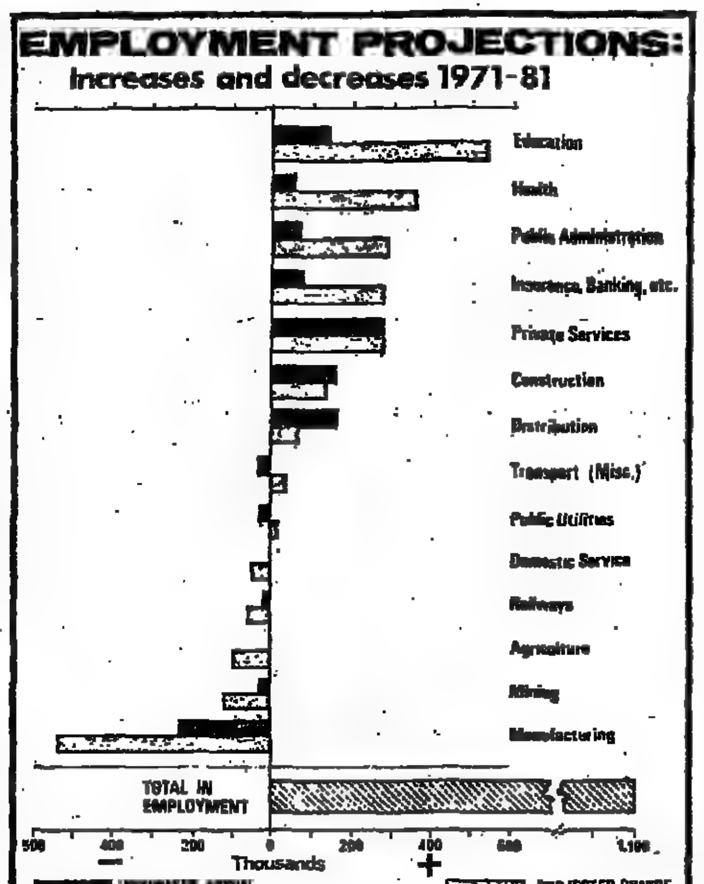
Sector

Manufacturing is not the whole of what the Department of Employment calls the "production sector." There are also agriculture, mining, construction and public utilities. If these are taken into account, employment in the production sector *is expected to grow by 0.8 per* cent. per annum less than total employment over 1971-81. Private services are expected to grow by only 0.2 per cent. per annum more than total employment over this period. This small gain is no larger than in 1961-71 and does not provide a *prima facie* case for State action to discourage the private service sector.

Distribution — retail and wholesale—which is regarded by some interventionists as the archetypal example of "non-*productive*" *employment*, actually reduced its share of the labour force in the 1960s and is expected to carry on doing so in the 1970s. The one named private service which is expected to gain in employment is "insurance, banks, etc."

A really big increase, it will surprise no one to learn, is expected in public service employment which is forecast to rise 2.2 *per cent. faster than total* employment, identical to the rate in 1961-71. In terms of numbers, public service employment has risen from just over 3m. in 1961 to just over 4m. in 1971 and is expected *to reach* 5½m. in 1981.

The biggest share of this increase is projected for education, which is expected to account for over 1.9m. employees in 1981, compared with just under 1.4m. at the beginning of the decade. The next largest increase is in "health services," which are expected to rise from just under 1m. to over 1.3m. Third in the list comes public administration, where the numbers of workers *is expected to grow from just* over 1.7m. to slightly more than 2m.



These are of course very broad categories. The Department's forecasters have chanced their arm with more detailed *predictions in manufacturing*. Here paper, printing and chemicals are expected to go against the general trend and take on more workers. The biggest falls in both percentages and actual numbers are expected to be in *food, textiles, clothing and steel*.

Question

How satisfactory are these trends? This is almost a meaningless question, and one on which most attempts at "planning" fall down. Attempts to work out the relative growth of particular sectors and industries involve two aspects: guessing the total national output, and guessing the products which British and overseas *customers will wish to buy*.

So far from being an alternative to market forces, nearly all national plans in non-Stalinist regimes represent an attempt to guess how the market will behave. There is no harm in informed guesses being interchanged at a high level, although given the uncertain future it would be better if everyone did not work on the same guesses, whether for the national growth rate or particular sectors.

The Treasury's "five year *macroeconomic forecasts*" are not the keys of the kingdom, as the CBI seems to regard them. They represent, first and foremost, a guess about the growth of production potential, and, second, about how near to capacity working it will be possible to go without an accelerating inflation.

The growth of the country's productive potential is the *result* of the efficiency with which resources are used. Knowledge of the Treasury's forecast of this rate will not make anything grow more quickly—*although it is obviously useful* to industrial suppliers to be informed of the assumption on which the State sector is working.

The unemployment rate and degree of capacity utilisation possible without an accelerating inflation will depend on the efficiency of the labour market, the use made by unions of their monopoly power, the price and nature of structural change, the incentives and disincentives to working and job mobility, and *many other factors. A politic*ally safe target, such as the 2 per cent. unemployment rate in the Department of Employment's projection, is useful neither as a forecast nor as an indication of the policy changes which make it possible.

An accelerating inflation can be suppressed for a while by means of a payments deficit *financed by international bor*rowing, and this can give the misleading impression that the balance of payments is the main constraint on growth, which is not the case given moderately rational exchange rate policies.

There are, however, some non-Stalinist meanings which can be given to the term "national strategy." There are forces which the NEDC christened in its 1963 "Orange Book" obstacles to growth, such as overmanning, archaic apprenticeship practices, misguided training policies, tax obstacles, mistaken pricing policies. These and many other obstacles to the successful *functioning of market forces have not been tackled in the* 12 years that have elapsed.

Consumers

Public service employment, moreover, cannot be directly influenced by consumer requirements. These can be expressed through the ballot box only — a highly defective mechanism for reasons I have discussed extensively elsewhere. The emergence of a public service sector of 4-5m. itself creates a strong political interest in its expansion—private employees or even those in nationalised industries are more dependent on customer preferences and less on Whitehall decisions.

A great deal of discussion about the role of manufacturing industry in providing exports or saving imports confuses the manufacturing with the international trading sector. Private services play a very *prominent role in international* trade and have consistently had a far more favourable overseas balance than manufactures. To the extent that non-tradeable services can be isolated statistically, they are to be found in the public service sector. None of this means that public services are undesirable. But we lack an efficient means of deciding how much of our resources to devote to them in the light of their costs and benefits.

Letters to the Editor

Hope in slow change

From Mr. Colin Hutt.

Sir,—I have been following your series of articles on the referendum with keen interest, but it was Mr. David Watt's article of May 30 that I found most cogent.

It seems both of us are of the same age group: a generation conceived in the recession, educated in wartime and which grew up into a bereaved, bomb-damaged world of super austerity to find it was still expected to fight in what seemed to be someone else's war in Korea before it could set about the business of living.

I shall vote "yes" because, however grim the prospects seem now, the best future is through the EEC. The result will never be Utopia and change will be slow and not always for the better but there is more hope that a less disastrous world lies in that direction. I must add that I have this belief and this hope in spite of an inborn prejudice in favour of all things British. My ancestors left France in mid-October 1685 (in peril of their lives) and their descendants have ever tended to be more insular than the Islanders.

C. V. Hutt.
3 Perth House,
Queens Drive, W.3.

Sufficient reason

From Dr E. H. Bateman

Sir,—In his letter to shareholders on the EEC referendum, the Chairman of Trafalgar House Investments says: "We must recognise that Britain's position has weakened considerably of late." This, after over two years of EEC membership, seems to me to be sufficient reason for voting "no."

E. H. Bateman.
Sandyridge Cottage,
Upper Bourne,
Farnham, Surrey.

Business practice

From Mr. K. T. Sturgess.

Sir,—In your issue of June 3, Sir Jan Lewando drew the attention of the readers to the apparent benefits that the British textile industry would enjoy by continued membership of the *Common Market due to the fact* that EEC countries had an undertaking to take a higher proportion of their textile requirements from low-cost developing countries.

I am not suggesting that the United Kingdom should withdraw from the Common Market, indeed I think that it is to the benefit of Britain to continue membership but I feel that Sir Jan is being somewhat naive in his expectations that our partners on the Continent will, in fact, increase their imports of yarns and fabrics from the low-cost developing countries. I think that they will all pay lip service to such an idea but in practice we will find, as has been the case in the past, that every possible obstacle will be raised to prevent such an increase in imports.

The main trouble arises because of the different standards of ethics ruling on the Continent among businessmen and civil servants. I think there is no doubt that the British civil servants are the most honourable and straightforward public officials in the world and British businessmen are very much in the same mould; I do not think that this same standard applies in many of the Common Market countries, particularly France and Italy, and *even* in Belgium I know that it is a common practice to have three sets of books of accounts, one for the Inland *Revenue, one for the share*holders and one true set for the management.

Because of this different standard of integrity, I am very doubtful as to the wisdom of the United Kingdom entering into international agreements with certain overseas countries and I fear that in practice it would be found that we are holding the dirty end of the stick.

K. T. Sturgess.
47, Linfield Road, Belfast.

Consultation in question

From Mr. C. F. Pennison.

Sir,—So far as Europeans are concerned, the British Government negotiated entry terms. Two preceding governments, one Conservative, one Labour, had applied for entry, so there could be no excuse for leading politicians of either party (including some now opposing entry) pretending that they did not understand the nature of the Community or the terms on which we entered.

All major decisions of British political life throughout our history *have been taken by the* Government and ratified by Parliamentary majorities. Since British entry to the Community was voted—not engineered—by a substantial majority, including the votes of a number of Labour members voting against *their party's general line*, as well as the Liberals, all our normal constitutional processes took place. There have been *many decisions by this process* which the majority of the population rightly or wrongly opposed at the time—for example, the abolition of the death penalty. But no one challenges the validity of the principle under which we have always governed ourselves—that is, by delegating to our elected representatives the authority to exercise their judgment on our behalf.

This is why our European friends are disappointed in us. They consider that we knew what we were doing, that our constitutional procedures were followed and, for internal party political reasons, we are now questioning a solemn undertaking *freely* entered into.

It is as if the Board of directors of a firm, having made an agreement with another firm, acting under their full authority as directors, should propose to withdraw from the agreement on the grounds that the shareholders, or the employees, had not been consulted.

Even if the referendum is in favour of remaining in the Community our reputation will have suffered—who knows when we might challenge the decision by a similar process again. And if *the referendum leads to our* withdrawal, there will be deep bitterness towards us, which will certainly have serious effects upon our chances of reaching a satisfactory trade agreement with the Community.

C. F. Pennison.
Viale dei Piramide Cestia 1/C,
00153 Rome, Italy.

In line with tradition

From Mr. P. Larkin.

Sir,—The Government of any nation state is an attempt to unite and give direction to a series of conflicting interests. While it is true that the common language and experience of a nation assist in this unification process, it is equally true that certain interest groups may feel themselves grossly under-*represented by a national govern*ment and may in fact have far more in common with interest groups in other countries at *similar stages of economic and* political development.

Under these circumstances it is hard to see any logical reason why a supra-national grouping should be any less representative of the various interest groups than should a purely national one. The only reasons would seem to be emotive ones such as race, language, culture and traditions. Though these are vitally important factors, it is hard to see how membership of the EEC is likely to suppress national identity in these respects—it certainly has not done so over the past 18 years in the case of the original EEC member countries. Indeed, it seems certain that English will become one of the main Community languages; while the tendency to give more power to the European Parliament is exactly in line with our own political traditions.

P. J. Larkin.
2, Bingham Street, N.1.

Cut the losses

From Mr. P. Kingston.

Sir,—As an exceedingly ardent anti-marketeer, albeit a middle-of-the-road man with no particular loyalty to any political party, I welcome the statement by Mr. Edward du Cann, the Tory MP for Taunton, that he intends to vote "no" in the referendum.

He, like me, thinks that Britain's wisest course of action would be to withdraw from full involvement in this quite inappropriate EEC, whose member countries only cover a portion of Western Europe. The latter needs stressing because the pro-marketeers talk about "Europe" when they *really* mean the EEC sub-section of it.

I am not in a position to judge whether Mr. du Cann is correct in thinking that perhaps a majority of local Conservative Party members (as distinct from MPs) want us out of the EEC, or whether *Mrs. Thatcher is cor*rect in talking about the Tory anti-marketeers as being a minority; but she seems to be *thinking in terms of MPs only*.

I do hope that Mr. du Cann's courageous testimony—of his disagreement, on this vital topic, with most of *the* Tory Shadow Cabinet, will encourage rank-and-file conservatives to forget party loyalty and put Britain first in their calculations.

EEC entry has proved to be a monumental mistake. We should now "cut our losses," without delay!

P. M. Kingston.
49, Western Court,
Clevedon, Avon County.

A view across the North Sea

From Mr. A. Gomez de Mesquita

Sir,—When Britain joined the European Community I, together with many of my countrymen in the Netherlands, was overjoyed. Here at last was the missing cornerstone that would enable us to build this Commonwealth of Europe, where never again would happen the fraternal slaughter that twice in half a century had almost annihilated this small piece of our Earth.

Britain, with its democratic traditions, would help us to strengthen the democratic institutions of the Community. Together we would construct this economic unity, without which none of the separate nations has weight among the giants of our time. Our combined strength would open greater possibilities *for aid to the developing coun*tries. And one day we could truly say that Bach, Shakespeare, Erasmus and Descartes belonged *to all of us*.

What happened? After ten years of intermittent negotiations, after the most thorough debate *outside and inside Parlia*ment, and after the act of adherence to the EEC Treaty, when all democratic means had been *exhausted, there followed the* introduction of a new element: the referendum.

The Treaty of Rome has no *provision for any of its members* to leave the Community, and the fact that a great and respected nation tried to get out from under a *solemn interna*tional commitment was staggering to its Continental friends. I wish every citizen of the U.K. *would view it from this angle* for a moment.

Much of the damage can be repaired if the British public now *overwhelmingly* votes "yes" to Europe.

It would be the massive *endorsement of a policy with a future and would provide the* support British representatives in Europe need to co-operate with loyalty.

A. Gomez de Mesquita.
Kiefskamp 10,
Amsterdam.

Unanimity rejected

From Mr. L. M. Hughes

Sir,—The Home Secretary, asked by a questioner on the radio (May 30) for the source of the alleged authority to veto Community decisions, replied that this lay indirectly in the principle of unanimity in decision-making, a principle *which ran through the whole Treaty of Rome*.

Both these statements are not really accurate and only a complete lack of knowledge of the Treaty could have inspired them. Unanimity, far from being embodied, is contrary to its whole concept. Decisions by all its constituent bodies, as it clearly lays down, are, except in minor matters, to be by majority vote. What was called the "paralysing rule of unanimity" by which one single member could frustrate the will of the majority was completely rejected by those who drew up the Treaty, an attempt by the French representative to have escape options written into it being over-ruled. It is hardly likely, therefore, that a minority would have much chance of negativing the intentions of the majority, much as they might like to. At no time has that situation changed: it was not affected by the original entry negotiations, nor by the recent re-negotiations.

L. Martin Hughes.
16 Wilton Grove,
Wimbledon, S.W.19.

I told you so

From Mr W. Fliess

Sir,—Whatever the result there is, without a shadow of doubt one piece of good news for the Referendum losers. All the terrible economic ills which will befall the nation if we leave the Common Market, as forecast by the Marketeers is matched, perhaps even surpassed in extent, by the anti-Marketeers, if, God forbid they say, we should remain in the EEC.

With an apparently unmanageable inflation, enough unpleasant things will happen to justify the losers (whosoever they will be) saying for a considerable time to come: "We told you so."

Walter Fliess.
33 Post House Lane,
Bookham, Surrey

To-day's Events

GENERAL

Common Market national referendum. Voting takes place between 7 a.m. and 10 p.m.

President Sadat of Egypt re-opens the Suez Canal on the eighth anniversary of its closure by the 1967 Arab-Israeli war.

Greek and Turkish Cypriot leaders, Mr. Glafkos Clerides and *Mr. Rauf Denktash, resume talks* in Vienna.

NATO holds conference on defence of North Sea oil rigs, *The Hague*.

Queen reviews Chelsea Pensioners, Royal Hospital, Chelsea.

Duke of Edinburgh attends *council meeting of British Com*monwealth Ex-Service League, Marlborough House, London.

Refuse Collector of the Year award final judging, Waldorf Hotel, London.

OFFICIAL STATISTICS

First quarter provisional figures for capital expenditure by *manufacturing*, distributive and service industries and manufacturers' and distributors' stocks.

Provisional figures of vehicle *production and estimates of new* car registrations (May).

COMPANY RESULTS

Greening (N.) and Sons (full year).

Helt Products (full year).

COMPANY MEETINGS

Bemrose, Great Eastern Hotel, E.C., 11.45.

Berwick Timpo, Great Eastern Hotel, E.C., 12.

Camrex, Sunderland, 12.

Guest Keen and Nettlefolds, Smethwick, Warley, 12.15.

Ireland (Ernest), Bath, 11.30.

Martin (Albert), Nottingham, 11.30.

Neill (J.), Sheffield, 12.

Owen Owen, Liverpool, 11.30

Phoenix Assurance, 4, King William Street, E.C., 12.

Randalls Group, Boreham Wood, 11.30.

Richards and Wallington, Birmingham, 12.

Slater Walker Securities, New London Theatre, W.C., 11.30.

Vickers, Millbank Tower, S.W., 12.

THEATRE

Oh Coward!, a musical review with words and music by Noël Coward, opens Criterion Theatre, London.

MUSIC

Royal Philharmonic Orchestra concert, presented by the St. Mark's Research Foundation, in *aid of cancer and colitis* research, Royal Albert Hall, London.

COMPANY NEWS + COMMENT

Hickson & Welch tops £2m. at halfway

PROFIT BEFORE tax of Hickson & Welch Holdings shows a £349,000 advance at £2.1m. for the six months to March 31, 1975 on turnover £3.8m. higher at £20.99m.

Stated earnings are up from 13.79p to 14.97p per 50p share and the interim dividend is stepped up from 2.68p to 3p net. Last year's total dividend was 7.914373p from profits of £4.14m.

	Half year 1974-75 £000	1973-74 £000
Turnover	20,991	17,771
Operating profit	2,492	1,931
Share associates	15	133
Making	2,507	2,065
Interest	410	315
Profit before tax	2,097	1,748
Tax	1,118	865
Profit after tax	979	883
Outside interests	11	12
Attributable	968	871
Pref. dividend	3	3
Ord. dividend	184	170
Retained	771	608

● **comment**

There is plenty of good news from Hickson and Welch. U.K. profits on the timber side held up well, while overseas returns were highly satisfactory. Results in the Chemicals division were better than for the comparable 1973-74 period, the interest bill has peaked and borrowings are declining. But there is another side to the coin. Associated company profits, as in Buildings materials, were well down, and a Far Eastern associate downturn, apparently, came as something of a shock. More significantly, a softening in demand during the second half for Chemicals is anticipated. Since the destocking phase has largely blown itself out, this could imply a lower level of future activity. At 250p, the yield is 5 per cent.

INDEX TO COMPANY HIGHLIGHTS

French Kier's position

French Kier, which has recently received grants and a loan from the Government, to enable it to complete a number of motorway contracts, has postponed the extraordinary meeting which was to have been held on June 27, to approve the aid from the Department of the Environment and the proposed enfranchisement of the "A" Ordinary. The annual meeting will go ahead as planned.

In a letter to shareholders, Mr. J. C. S. Mott, chairman, says it has proved impossible to complete the detailed drafting agreements in connection with the loan and the grants in time for the meeting. He has sent out an explanatory letter with the annual report.

The conversion rates attached to the Government Loan are as follows: the Department will have the right after December 31, 1976 to convert any balance of the Loan outstanding into fully paid "A" Ordinary (or Ordinary on the assumption that the enfranchisement proposals are effected) at the rate of 25p "A" or Ordinary share capital for every 25p of Loan.

On the assumption that enfranchisement takes place, and there is no subsequent alteration in the resultant share capital, the Department would receive on conversion of all the loan 18m. Ordinary shares, or 27.6 per cent. of the resultant equity.

In his annual statement, Mr. Mott says the events in W. and C. French (Construction) ensure that while its future losses have been provided for, it is unlikely to trade at a profit in 1975. However, he forecasts that the Kier companies will continue to trade profitably for the rest of this year and their results, added to those of the other French companies, will therefore control the outcome at the end of the year.

The end-1974 group balance sheet shows net current assets of £2.6m. (£6m.). Work-in-progress and stocks figure at £25.8m. (£25.6m.) and bank loans and overdrafts at £23.1m. (£18.7m.).

Stock of development land is included at £16.7m. (£18.04m.)—the auditors say they know of no facts which would cause them to disagree with the Board's valuations, but as the Board does not consider it would be helpful to obtain professional valuation, they are unable to satisfy themselves that these assets are included at cost or realisable value, whichever is the lower.

● **comment**

At 8p French Kier is capitalised at under £4m. and the accounts confirm that the group remains highly geared, quite apart from any remaining problems over the road contracts—the French construction side will not make a profit this year although known losses have been provided for. At the end of December total borrowings were £28.8m. against book shareholders' funds of £19.4m. And there must be some uncertainty—which the auditors note—about the valuation of £16.1m. put on development land, especially when the chairman reports that new commercial and industrial developments have been shelved, while the bulk of the housing effort is at the still sticky luxury end of the market. Much will depend on what can be realised through the foreshadowed "selective disposals."

J. Bright hits peak £1.2m.

WITH SALES up from £13.97m. to £16.28m., taxable profits of the John Bright Group of spinners, weavers, etc., expanded from £880,506 to a record £1,203,606 in the year to April 5, 1975, after rising from £289,150 to £566,987 in the first six months.

Earnings per 25p share are shown to be up from 8.219p to 11.264p before tax, and from 3.789p to 5.293p after tax. The dividend is lifted from 1.925p to 2.05p net with a final of 1.1p.

	1974-75 £	1973-74 £
External sales	16,276,560	13,974,779
Trading profit*	1,142,474	925,335
Interest received	123,132	19,268
Loan stock interest	64,000	64,000
Profit before tax	1,203,606	880,506
Taxation†	632,971	469,800
Net profit	570,635	411,206
Preference dividend	9,625	9,625
Ordinary interim	100,700	92,750
Proposed final	116,600	111,300
To deferred tax	—	73,022
Fire insurance claim	41,374	—
Property sales	—	24,027
Retained	385,384	146,536
Forward	1,344,474	958,880

* After depreciation £395,123 (£323,290). † Including £365,324 (£278,211) to deferred tax.

● **comment**

Depression in tyre cord fabrics took the steam out of John Bright's second half, and after nearly doubling at the interim stage, pre-tax profits have emerged 36 per cent. ahead. But two-thirds of turnover is now devoted to higher added value industrial reinforcement fabrics, principally conveyor and V-belting. Progress here is reflected in wider trading margins and is being supported by an £800,000 investment programme. Thus, after five years of little net investment, during which the return on heavily depreciated capital has averaged hardly more than 10 per cent., the company seems to have created a useful specialist niche for itself. Interest receivable has accounted for a third of pre-tax growth, and liquid resources and cash flow are expected to cover expenditure requirements. At 29½p, the yield is 11.1 per cent., covered 2.6 times, and there seems room for further progress in the share price.

Coltness second half downturn

ON A TURNOVER up from £4.39m. to £5.16m., pre-tax profit of Coltness Group decreased from £432,314 to £401,196 in 1974, reflecting sharply increased interest charges. At halfway profit was up from £208,611 to £239,291.

Stated earnings per 25p share for the year increased from 3.7p to 3.8p. A final dividend of 0.672p lifts the net total from 1.259p to a maximum permitted 1.365p.

Mr. Eric S. Gibbons, chairman, says the profits performance must be considered satisfactory in view of the adverse trends which accelerated in the second half.

Mr. Gibbons does not intend to give an indication of likely profits for the current year in view of the uncertain economic outlook.

There has again been a first quarter loss in brick making but seasonal influences are expected to improve the position.

Group trading results for the first quarter are encouraging and in line with expectations. The recent reduction of bank interest rates is helpful. The directors believe the group will demonstrate a satisfactory trading performance for 1975, subject to no further downturn in demand.

	1974 £	1973 £
External sales	5,612,725	*4,388,499
Trading profit	641,757	523,653
Loan interest	58,713	5,390
Overdraft interest	159,848	57,749
Profit before tax	401,196	432,314
Corporation tax	76,745	138,470
ACT (not recoverable)	—	3,505
Deferred tax	123,859	90,119
Net profit	200,592	199,960
Deferred tax debit	—	31,612
Minority holders'	1,371	[illegible]
Attributable	199,221	169,861
Dividends	71,022	65,539
Revenue reserves	128,299	104,322
Extra-ordinary debit	405,130	—
Retained deficit	277,831	†104,322

* Adjusted. † Credit.

Trading profit is after £176,975 for depreciation (£142,482) and excludes any results relating to the investment in W. Wood and Son.

The balance sheet value of quoted investments has been reduced to the Stock Market prices prevailing at end 1974. A capital loss of £397,210 is included in extraordinary items. This is available to be set against future capital gains for tax purposes. The capital loss is on the sale and repurchase of quoted securities relative to the 32.8 per cent. interest in W. Wood and Son.

● **comment**

Net profits at Pope and Pearson—Coltness's brick-making subsidiary—slumped from £192,000 to £33,000 last year, so shareholders have some cause to bless the 1974 bear market. At the beginning of the year, shares in the revamped subsidiary were being offered to Coltness shareholders by way of rights, but the stock market slump interrupted the scheme. Since the stake in W. Wood has been written down by another £0.4m., the group's investment programme would look pretty sick now but for a good performance from the Fasteners division. Profits here rose by 72 per cent. to £544,000, and compare with a lossmaking situation prior to 1972. Rationalisation measures have borne fruit in some areas at least. At 15½p, the yield is 14 per cent.

Fine Art earns and pays more

AFTER RISING from £0.53m. to £0.63m. in the first half, taxable profits of greeting card publishers, Fine Art Developments, finished the year to March 31, 1975 ahead by some £126,000 at £2.26m. External sales expanded by 38.3 per cent. to £20.5m.

Earnings for the year are shown to be up from 2.809p to 2.963p per 5p share and the dividend is raised from 0.9338p to the maximum permitted 1.0104p net with a final of 0.6604p.

A revaluation of group properties has thrown up a surplus of £1.24m.

	1974-75 £	1973-74 £
External sales	20,492,983	14,814,972
Trading profit	2,729,416	2,347,618
Interest	465,914	210,225
Profit before tax	2,263,704	2,137,593
Tax	1,197,095	1,113,250
Net profit	1,066,609	1,024,343
Minority loss*	5,773	*6,053
Loss on sale & repurchase†	110,265	—
Attributable	962,057	1,019,292
Interim dividend	123,659	86,715
Proposed final	242,684	249,432
Retained	596,304	691,135

* Profits. † Of trade investment.

● **comment**

Volume at Fine Art is well up, with a rise of between 17 and 20 per cent. last year; but there is only a modest 6 per cent. increase in pre-tax profits. The reduction in margins stems from the three day week—the resulting shortage of supplies sent the group overseas for envelopes and cost an estimated £¼m. of profit. This year FAD is going for further growth and without the burden of supply shortages that would seem a reasonable expectation. But, consumer pressure must affect sales, particularly of Christmas cards (40 per cent. of turnover) where not only is the unit cost rising but postal charges are becoming prohibitive. If this merely results in a trading down in card price byt the public it would pose few problem for FAD as a manufacturer of low cost cards(only 2 per cent. of sales could be classed as the expensive boxed variety. At 18¼p the yield of 8.6 per cent. has a smal edge over that of W. N. Sharpe.

Tebbitt sees profits

Reduced trade in upper leather, rising costs, uneconomic prices and high interest charges caused the trading losses at Tebbitt Group in 1974. These losses have spilled over into 1975, and the first three months has resulted in a further deficit, says chairman Mr. H. Cen.

However, he adds, by March the rate of loss had been reduced and the directors believe the company will soon be trading profitably again. They look forward to resuming dividends in 1975.

Continuing its policy of rationalisation and internal economy during the current year the company will transfer its merchanting business, Munt Brothers and Co., to George Barker's premises but this should not adversely affect trading. The move will enable the company to release capital tied up in that business.

"We have also placed on the market for sale five properties which have a balance sheet value of £384,000," states the chairman.

As reported on May 20 the loss attributable to the company totalled £99,835 (profit £43,921) after all charges but including tax recoverable of £40,896 (charge £23,276). There is no dividend against 0.67p net.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alliance Investment	2.37	July 4	2.2	3.87	3.6
J. Billam	2.21	July 22	2.17	2.93	2.70
John Bright Group	1.1	—	1.05	2.05	1.93
Coltness	0.67	—	0.62	1.36	1.26
Fine Art Developments	0.66	July 10	0.69	1.01	0.93
Hickson & Welch	Int. 3.0	Aug. 31	2.68	—	7.91
Philip Hill Trust	3.0	July 25	2.65	5.0	4.4
Edward Jones (Contractors)	0.91	July 25	*0.83	0.91	*0.83
MEPC	Int. nil	—	1.25	—	4.0
P&O Steam	Int. 2.25	Oct. 1	2.0	—	4.99
Polymark	1.46	Oct. 31	*0.67	1.46	*1.37
Rotaprint	1.6	—	1.6	2.65	2.65
Sterling Trust	Int. 1.4	Aug. 1	1.4	—	3.85

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Polymark turns in £424,000

AFTER A rise from £115,000 to £167,000 at half way, taxable profit of suppliers of machinery to laundries and garment manufacturers, Polymark increased from £347,000 to £424,000 for all 1974.

At half way the directors said they expected results for the second half to be at least as good as those of the first.

	1974 £000	1973 £000
Turnover	5,615	4,567
Profit	424	347
U.K. tax	53	44
Overseas tax	165	106
Profit after tax	204	197
Minority	7	3
Profit on exchange	26	39
Dividends	40	49

They now report that 1975 has started "satisfactorily" but due to economic uncertainties they can make no forecast for the full year.

Earnings are given at 6.47p against 6.8p per 10p share and the dividend is effectively raised from 1.37p to a maximum permitted, 1.4625p net.

● **comment**

After deferring its interim payment, Polymark clearly feels that it has enough in hand to restore the dividend by the maximum amount. However, the shares rose only ½p to 16½p last night, where the yield is 15 per cent., covered over four times. The liquidity position—net borrowings in the last balance sheet of £1.3m. compared with shareholders' funds of £1.2m.—has apparently shown little change during the year and the current build up of printing capacity and textile labelling sales may place further demands on cash flow. Overseas profits performance remains sluggish, with U.K. companies accounting for all of the 22 per cent. growth in pre-tax profits, but the current U.K. textile recession may prove a drag on both sales and the group's share price.

BIDS AND DEALS

No action by Panel in Croda bid

BY NICHOLAS LESLIE

THE CITY Takeover Panel is taking no action on the application by Midland-Yorkshire Holdings, the chemicals and tar distilling group, last Friday for an investigation into dealings in MYH shares in the closing hours of Croda International's £8.1m. bid for the company.

Thus, any uncertainty about Croda having won control of MYH, after a long and, at times, bitter struggle, has been removed. MYH's application for a Panel inquiry came after Croda announced last Friday that its bid had resulted in it gaining 50.11 per cent. of the MYH votes.

The Panel, in a statement announcing its decision, added that a "full statement will be issued in due course."

Although the panel gave no indication of the point under dispute, it appears to have been the purchase of a crucial block of MYH shares in the closing hours of Croda's bid at above the cash offer price of 360p a share. The shares were then assented to Croda.

This no doubt led MYH and its advisers, Hill Samuel, to seek to find whether the purchaser of the crucial shares could be considered as acting in concert with Croda. If such had been the case, it could have led to Croda being required to raise the level of its cash offer.

TREMLETTS

Offers for the capital of Tremletts and the capital of Tower Assets, other than the 98.6 per cent. already owned by Tremletts Holdings and its subsidiaries, have been accepted in respect of 6,410,115 Tremletts Ordinary (83.5 per cent.) and 78,321 Tower Ordinary. The offers have been declared unconditional and will remain open until further notice.

DRAKE & CUBITT

The completion of the acquisition by Mr. Bryan Knox and Kelmac Mercantile of a 15.78 per cent. interest (2,194,650 shares) in Drake and Cubitt Holdings from certain Belgian shareholders, due to take place on May 30 next has been postponed to June 5.

ISSUE NEWS AND COMMENT

Water tenders for 9% preferences

Arrangements have been completed for the offer for sale by tender of a total of £2.85m. of 9 per cent. Redeemable Preference stock 1980. Folkestone and District Water Company is offering for sale £1.6m. of stock and North Surrey Water Company is offering £1.25m. of stock, both at a minimum price of £99 per cent.

Both stocks are payable as to £10 per cent. with tenders to be received by Tuesday, June 10, the balance being due on or before Monday, June 30.

Interest on the Folkestone stock is payable half-yearly with the first payment of £4.3493 net per cent. due on January 2, 1976, and thereafter on July 1 and January 2. Interest on the North Surrey stock is also payable half-yearly but with the first payment due on October 1, 1975, of £2.3178 net per cent., and thereafter on April 1 and October 1.

Seymour Pierce and Co. are brokers to both issues.

● **comment**

The only difference between the Folkestone and North Surrey issues is the timescale of the interest payments, so that prospective buyers can adjust income payments to their own requirements. That apart, the issues are identical to each other and to the last water issue of Colne Valley in May. The current yields on Colne are 13.735 per cent. flat and 13.519 per cent. redemption, whereas the new issues on the minimum price are offering 13.99 per cent. and 14.13 per cent. respectively. So, these two issues should follow the trend of Colne where the average price of applications was just over the £100 per cent. mark. A bid somewhere between £100 and £101 looks necessary at present, but the referendum result could affect market sentiment between now and next Tuesday.

Details, Pages 8 and 13

CADBURY—90%

Cadbury Schweppes announces that acceptances have been received for 66,331,143 Ordinary shares of 25p, being 90.5 per cent. of the 73.29m. shares offered by way of rights on the basis of one-for-four at 35p. The shares not taken up have been sold and the net premium over the offer price will be distributed to stockholders entitled thereto.

GAS & OIL

Gas and Oil Acreage has resolved to call up a further 25p per share (5p part payment of par value and 20p part payment of issue premium) on the 6m. 20p Ordinary shares (currently 10p paid) in issue. This is in accordance with their earlier indications and is to finance the further drilling programme required for appraisal of the 21/1 oil discovery and exploration drilling on the other licences. Further details including the date for payment of the call which will not be later than December 3, 1975, will be announced later.

It is the intention to make a final call of 25p per share, following which the Ordinary will become fully paid, by June 30, 1976.

OTHER ISSUE NEWS

Edward Jones page 30; Phoenix Assurance page 29; "The Times" Veneer page 30.

Good start at Hewden Stuart

IN HIS ANNUAL statement, the chairman of Hewden-Stuart Plant, Mr. F. Jamieson, says the Board has "tremendous confidence" in the future, believing that, in the years to come, hiring will develop on a much larger scale than hitherto.

In the short term, trading conditions are good, and profits and turnover for the first three months of the current year are "substantially ahead" of last time. Most sections are fully employed, and in normal circumstances this position would give grounds for anticipating another excellent year, states the chairman.

However, the action that the Government takes and which is needed, must affect the level of activity of industry and the group, he warns, and for this reason, current year results must depend on circumstances beyond the Board's control.

As reported on April 18, taxable profits improved from £2.26m. to £2.63m. in the year to February 2, 1975 and the dividend is 1.4674p (1.2523p) net. A one-for-five scrip issue is also proposed.

During the year there was a "remarkable" improvement in group liquidity, and this has continued in the current year, says the chairman. Cash flow from profits, depreciation, and grants was about £5.5m., and, at February 2, loans, overdrafts, acceptance credits, and hire purchase was only £4.7m. despite heavy investment in stocks and fixed assets. In addition, the group has committed to it substantial unutilised lines of credit.

Meeting, Glasgow on June 26 at noon.

Alliance Investment pays more

REVENUE BEFORE tax of Alliance Investment Company rose from £366,600 to £401,100 in the year to April 15, 1975.

Earnings per 25p share are shown at 4.03p against 3.94p, and the dividend is stepped up from 3.6p to 3.87p net with a final of 2.37p.

	1974-75 £	1973-74 £
Total revenue	547,500	[illegible]
Expenses & interest	166,400	[illegible]
Revenue before tax	401,100	[illegible]
Taxation	151,300	[illegible]
Net revenue	249,800	[illegible]
Dividends	240,900	[illegible]
Revenue reserve	8,900	[illegible]
Investments value	10,493,100	[illegible]
Freehold property	316,300	—
Net current assets	884,900	[illegible]
	11,694,500	[illegible]
Pref., debs. & loans	2,050,600	[illegible]
Net assets*	9,684,900	[illegible]

* Value per 25p Ordinary 172p (173p).

Phoenix first quarter downturn—£20m. rights

AT THE same time as reporting lower first quarter earnings, the directors of Phoenix Assurance announce that they propose to raise approximately £20m. by issuing 11,729,486 new shares of 25p by way of rights on the basis of one new share for every four held at a price of 180p per share.

Arrangements for underwriting have been completed by Hambros Bank and Lazard Brothers and Co. Brokers to the issue are Pember and Boyle and Cazenove and Co.

In the absence of unforeseen circumstances, the directors expect to recommend dividends on the increased capital for 1975 totalling not less than the 8.2286p per share recommended for 1974.

Including Century Insurance for the first time, estimated first quarter 1975 pre-tax group profits amounted to £2.86m., compared with £3.58m., excluding Century, for the same 1974 period. The 1975 quarter figure, excluding Century, was £2.89m.

Earnings per share are shown at 3.57p—excluding Century they were 4.38p against 5.05p. Earnings for all the year 1974 were 14.27p.

It is again emphasised that interim figures cannot be taken as a reliable guide to results for the full year. The feature of the first quarter's trading is the continued improvement in investment income but the underwriting losses evidenced in the latter part of 1974 have continued into the first quarter of 1975.

Significant savings in operating costs are expected to flow from the integration of Century. Although plans for this integration are well advanced, the expected savings will only partially be realised in the current year, the directors say.

In general business in the U.K. good profits were earned in the property classes but liability business continues to be adversely affected by inflation and significant rate increases are not yet fully reflected in premium revenue.

In common with other companies the underwriting result in the U.S. was unsatisfactory and a loss of £734,000 was incurred. In Canada a further improvement was reported in the Phoenix result but Australia still reflects a significant loss. Europe remains profitable.

For long-term business new sums assured in the first quarter were £140m. (£166m. and £853m. for year). New annuities per annum totalled £1.6m. (£1.2m. and £11.7m.), new annual premiums £1.7m. (£1.8m. and £9.4m.), and new single premiums £0.6m. (£0.7m. and £2.3m.). All Century's long-term business is reassured and therefore forms no part of the above figures.

Subject to approval at an extraordinary meeting on June 20 of an increase in authorised capital from £12.5m. to £20m., and to the new shares being admitted to the official list of the Stock Exchange, they will be offered to shareholders registered at May 30, 1975. It is intended to despatch provisional allotment letters on June 20 and subscription moneys will be payable in full on acceptance not later than Friday, July 11. Dealings will commence on June 23.

At May 16, 1975 the company had outstanding bank loans and overdrafts of £3.63m., and the subsidiaries mortgage loans secured on overseas properties repayable at various dates after 1979 £15.47m. and bank loans and overdrafts £85,000, making a total of £19.18m.

The Continental Corporation, of New York, and Friends' Provident Life Office respectively hold or are interested in 10.83m. and 6m. shares in the company, representing 23.1 per cent. and 12.8 per cent. of the issued share capital.

	Including Century 1975 £000	Excluding Century 1975 £000	1974 £000
	Three months		
Net prems. written:			
Fire, accident, marine and aviation	53,174	48,946	44,396*
Invest. income	5,196	4,671	3,249
Underwriting:—			
Fire, accident, etc., loss	2,481	1,765	*205
Long-term profit	363	363	348
Expenses	205	173	225
Profit before tax	2,860	2,896	3,577
Less tax	796	922	1,053
Minority	482	482	459
Net profit	1,674	1,791	2,065

* Profit.

See Lex

Scottish Ontario policy

AT MARCH 31, 1975, the liquid resources of Scottish Ontario Investment Company represented 16.2 per cent. of the portfolio, "a substantial part, fortunately, being held in dollars." Since that date the cash position has declined to about 8.5 per cent. of total assets, chairman Mr. J. A. R. Falconer tells members in his annual statement. In the inflationery environment, the directors believe that an internationally diversified portfolio of investments in leading companies offers as good a protection to the real value of savings as is available.

Almost 58 per cent. of the company's assets is invested abroad.

The company experienced a marginal decline in gross revenue for the year ended March 31, 1975, largely as a consequence of the repayment in the spring of 1974 of a major part of overseas borrowings. The interest charge has been reduced so that the amount distributable shows a "modest" increase. As reported on April 29 the dividend is lifted from 2.5p to 2.7p net.

London and Manchester Assurance holds 18.3 per cent. of the issued Preference shares. Meeting, Edinburgh, on June 27, at 12.30 p.m.

Healthy trend continues at Fairbairn

Sir John Lawson, chairman of Fairbairn Lawson, says that, despite the continuance of problems in the office systems furniture company, the more healthy trend in profitability has continued in the first four months of this year.

He adds that there has been a "significant" reduction in working capital expressed as a percentage of sales. This enabled the company to effect a reduction in bank borrowings.

During this year the company has restructured its bank borrowings to a short-term loan of £900,000 and an overdraft facility of £1.5m., and this will be reflected in the next set of accounts.

As reported on May 29 pre-tax profit for the six months to January 2, 1975 amounted to £137,929, against £93,818 in the previous year and the dividend is 0.8125p net. The company has changed its year end to December 31.

Sir John says the considerably improved profits demonstrate the sounder base that has been established by the company for its products.

Meeting Leeds, on June 25 at 12.15 p.m.

British Rollmakers warning

MR. D. F. DODD, chairman of the British Rollmakers Corporation, told the annual meeting that events over the past few weeks had given rise to "grave" doubts as to whether the hoped for further profit advance in 1975 would now be achieved.

In his annual statement, Mr. Dodd, expressing the hope of the advance, said his opinion was confirmed by the results of the first quarter. These showed turnover and profits to be running at a level which, if maintained, would certainly have produced the hoped for results.

He explained yesterday that an industrial dispute at the R. B. Tennent works at Coatbridge occasioned by "a very small minority" of the work force there has now closed the whole plant.

"This cannot but have an adverse effect on the Group's current profitability and even brings into question the whole future of our rollmaking activities at Coatbridge," he added. The Corporation had spent £1.5m. at Coatbridge within the last two years.

Satisfactory results were still being achieved by all other subsidiaries, Mr. Dodd reported.

Meeting Page 30

Bensons Systems outlook

Mr. F. Bennett, chairman of Bensons International Systems anticipates a "satisfactory conclusion" for the current year, but he stresses that higher or lower profits will depend on conditions for the rest of the year.

In keeping with the general economic conditions, the buoyant situation, evident in the industry in 1974, turned down markedly in the first part of 1975, he explains.

As reported on May 9 group pre-tax profit expanded from £0.69m. to £1.09m. in 1974 and the dividend is 3.95p (3.7p) net. Dividends have been waived to the extent of £16,889 (£16,745), and two directors waived emoluments amounting to £15,892 (£11,596).

Overseas subsidiaries made a considerably improved contribution to sales and profits.

Meeting, 59-67, Gresham Street, E.C., July 2, at 3 p.m.

Export drive by Royal Sovereign

Royal Sovereign Group continues to plan for progress and is already achieving return on efforts made in export markets, reports the chairman Mr. R. Patterson.

Exports for the first quarter of 1975 are some 60 per cent. up over the corresponding period, and would have been greater but for shipping delays.

At home, first quarter sales were higher but have not yet reached the budget figure, "but this we attribute to a general trade destocking rather than any fall in consumer usage."

The group makes and distributes stationery, office requisites, books and toys, toiletries and fancy goods. Traditionally these maintain a steady demand.

As reported on May 14, group sales in 1974 totalled £7.05m. (£5.35m.) and profits were £686,315 (£531,401). The dividend is 2.2p (2.02p).

A statement of source and application of funds shows a £663,714 (£377,581) increase in bank borrowing.

Meeting, Connaught Rooms, WC, June 10, at noon.

Irish Life funds

The latest half-yearly report of the Irish Life Property Modules Fund to March 31, 1975, reveals a slight fall of 5.6 per cent. in unit price over the period, but an overall rise of 72 per cent. since the launch in October 1969. This put the fund, the third largest property bond fund operating in the U.K., among the top performers in the field of property linked assurances.

The fund, which is nearly 100 per cent. fully invested, has only one-quarter of its portfolio in U.K. properties. Over 60 per cent., is in Irish property, the remainder being held on the Continent. This wide geographical spread has enabled the fund to maintain its top position.

During the period, a special revaluation of the entire portfolio was undertaken in view of the uncertain economic climate. Most of the properties—90 per cent.—comprise modern office blocks.

The unit price of the Irish Life Managed Fund over the same period rose by 19.8 per cent. giving a net rise of 23.3 per cent. for the first year of operation. The managers have kept the portfolio in a high degree of liquidity over the year, but are now progressively reducing this and investing in equities—and they intend to enlarge the property content shortly. The split at the end of March was 57 per cent. in High Income Fund—mainly cash and short dated gilts, 8 per cent. property, and 35 per cent. equities.

The report of the Irish Life Blue Chip Fund shows that the unit price over the period increased by 19.1 per cent., but the net rise from the January low point was 48.6 per cent. The portfolio at the end of the period was split between Irish equities, 22 per cent., U.K. equities 42 per cent., overseas equities 19 per cent. and 17 per cent. cash.

Slater Walker of Canada

FIRST QUARTER 1975 net earnings of Slater Walker of Canada amounted to $760,115, compared with $2m. in the same 1974 period when results were unusually high because of significant trading gains. By their nature, investment gains will fluctuate from year to year, the directors point out.

Earnings per share are shown at 20 cents basic, or 32 cents adjusted for the purchase of Toronto and London Investment, compared with 55 cents a year ago.

Sale of buildings produced an extraordinary after-tax gain of about $5m., but this has not been reflected in first quarter earnings.

The sale was by Slater, Walker Properties to Golden Properties of its two office buildings in Vancouver, B.C., the Board of Trade Building and The Baxter Building. Net sale price was approximately $20.7m. which was satisfied as to $12.1m. in cash and the assumption by the purchaser of mortgages on the two buildings in the aggregate of $8.6m.

This sale increases substantially the liquidity of the company and the proceeds will be available for the purchase of other businesses or assets as and when suitable investment opportunities occur.

The directors say shareholders will receive an updated pro forma balance sheet, reflecting the acquisition of Toronto and London and sale of the two buildings.

Sale of a major part of the company's holdings in Peoples Department Stores, if approved under the Foreign Investment Review Act, will be reflected in the statement, they add.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. £ or Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	£38¾	£32⅝	Bell Canada ($25)	£34⅛	−⅛	—	—	—	—
‡	F.P.	—	£22¼	£17⅛	Cont.Can. Inc. $US1	£20⅛	−¼	$1.6	—	4.1	—
¶R2	F.P.	30/5	355	295	Doelkraal Gold Mining	345	+5	—	—	—	—
‡	F.P.	—	154	120	Ewart New Northern	151	—	—	—	—	—
140	F.P.	20/6	181	154	Bank 'A'	175	+5	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
£100	F.P.	—	100½	98⅝	Agricultural Mortgage 11% 1976	100	
¶£100	Nil	—	40	25	Allied Irish 10% Conv. Uns 1985	29½	+3
£100	£10	—	11⅜	11¼	Colne Valley Water 9% Red. Prf. 1980	11⅜	
¶£100	nil	—	39	21	Gestetner 'A' 10% Conv. Uns. '90/95	29pm	+½
$98	F.P.	—	$98	$96½	Grangee 9¾% Bonds 1985	$98	+1
£97¾	£40	—	39⅜	37	GLC 12½% Stk. 1982	38⅛	+¼
a	F.P.	22/8	100	100	Greenwood & Batley 15% Uns. 1976	100	
£99	F.P.	30/5	102½	98½	Lincoln Corp. 14% 1980	101	
††£99	F.P.	30/5	106⅛	103	Mid-Kent Water 10% Prf. 1980	104⅛	
••	F.P.	25/5	106⅛	101¾	Mid-Southern Water 10% Prf. 1980	103	
$100	F.P.	—	$101	$100½	Norsk Hydro 9¾% Bds. 1985	$101	
£100	F.P.	21/5	117½	105	N. Atlantic Secs. 7½% Cnv. 85-95	117½	+1½
$93	F.P.	—	$99	$96⅛	Ottawa-Carleton 5% Deb. 1990	$99	
$99	F.P.	—	$101	$99½	Papua New Guinea 9¾% Guar. 1985	$101	
††£75	F.P.	—	105⅛	100	Rickmansworth & Uxbridge 10% Prf. 1980	105⅛	
£100	F.P.	30/5	155	122	Slough Estates 10% Conv. Uns. '87/90	147	+1
£99½	£35	1/8	46⅛	43⅛	Southend-on-Sea 12½% 1981	44⅛	
£99	F.P.	11/4	106	99	S. Staffs. Water 10% Prf. 1980	104⅛	
••	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	101½	
£99¼	£65	—	65	65	Warwickshire 12½% Red. Stk. 1980	65	
£1	nil	—	8	7	Waterford Glass 10% Conv. Cum. Red. Pref.	8pm	
—	F.P.	14/2	90	80	Worth (Bond) 12% Conv. Uns.	86	
¶£100	£50	2/10	97	67	Yorks Chems. 12½% Conv. Uns.	78	+1

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	Stock	Closing Price p	+ or −
100	F.P.	28/5	30/5	Ash & Lacy	139	+8
55	F.P.	16/5	2/7	Associated Biscuit	68	
43	Nil	—	—	Associated Engineering	17½pm	+2½
10p	F.P.	15/5	16/6	Aurora Holdings	11¼	
35	F.P.	28/5	30/5	Cadbury Schweppes	48	+1
A$1.50	Nil	—	—	Commercial Bank of Australia	115pm	+5
35p	F.P.	19/5	10/6	Delta Metal	69	+1
25	Nil	—	—	Elliott Grp. (of Peterboro)	13pm	+1
150	Nil	10/6	12/6	Fairbairn (Leonard)	26pm	+2
175	F.P.	19/5	20/6	Guest Keen	263	+2
52	Nil	—	—	Hawkins & Tipson	21pm	−7
25p	Nil	—	—	Heatair	41pm	
125	Nil	4/6	6/6	Linfood Hldgs.	32pm	+5
40	Nil	—	—	Macarthys Pharm.	16pm	−3
100	F.P.	28/5	30/5	Manbre & Garton	126	
100	Nil	28/5	30/5	Marshalls Universal	26pm	−4
60	F.P.	21/5	23/5	Martin Black	106	+2
60	F.P.	16/6	16/6	Morgan Crucible	90½	−½
25	Nil	10/6	12/6	Pahang Cons.	3pm	
108	Nil	—	—	Prudential Ass.	24pm	+2
47	F.P.	—	—	Richard & Wallington	64	+2
Kr60	Nil	—	—	S.K.F. "B"	200pm	
95	F.P.	31/5	2/6	Simon Eng.	110	
77	F.P.	12/5	6/6	Spirax-Sarco	125	
315p	Nil	9/6	11/6	Sun Alliance	116	+7
125	F.P.	30/5	3/6	Turner	130	+1
78	Nil	—	—	United Biscuits	25pm	+1
25	F.P.	27/5	9/6	Western Selection	34	−1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. ‡ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ♥ 298 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‖ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ✽ With warrants.

P & O half-year profit halved to £13.63m.

GROUP profit, before tax, of The Peninsular and Oriental Steam Navigation Company fell from £26.28m. to £13.63m. in the six months to March 31, 1975.

And the directors forecast a profit for the 15 months' period to December 31, 1975 at around the £32.91m. for the year to September 30, 1973. Last year's profit was a record £48.54m.

Stated earnings per £1 Deferred unit are down from 19.3 to 8.2p for the half year. The interim dividend in respect of the 15 months is lifted from 2p to 2.25p net. Last year's total was 4.9898p.

Last March Lord Inchcape, the chairman, warned that profits for the current year would be lower than the 1974 record.

The tanker market, he said, would almost certainly remain depressed but the bulk carrier fleet was still largely protected by forward contracts and the company would also benefit from a full year's contribution from Bovis.

Unless factors emerged materially and adversely affecting operating costs he did not expect any breach of the new base level of profitability established in 1973.

The directors now say there was a down-turn in profit from operations in bulk shipping, passenger and European and air transport divisions. Other divisions showed an improvement, and Bovis made a contribution.

An increase in interest payable — from £7.7m. to £12.38m. — reflects the higher level of loan finance and the inclusion of Bovis figures, they add.

Although the profits "are not satisfactory" the directors believe they are sufficient to justify payment on October 1 of an increased interim divided. It is intended to pay a second interim on April 1, to be followed by a final on July 1, 1976.

Included in profit from operations is £1.29m. arising from a change to time basis accounting general accounting division. This brings the policy for cargo operations into line with that for passenger and bulk shipping operations.

No material liability to U.K. tax will arise in the 15 months. There will, however, be a liability to ACT in respect of dividends.

Extraordinary items of £1.28m. include an estimated surplus of £1.4m. arising on the sale of the I.O.S. undertaking, being profits on sales of ships less provision for terminal expenses. Also included is a charge of £307,000 revaluation of foreign currency loans by an associate.

Depreciation charged against profit from operations was £13.28m. (£11.22m.).

Profit on sales of ships, included in profit from operations, was £2.03m. (£2.39m.), and included in share of associates profits £1m. (£0.63m.).

	Six months 1975 £000	1974 £000
Outside gross revenue	280,624	238,745
Profit operations	17,674	19,688
Investment income	2,518	2,941
Interest payable	12,385	7,703
Share associates	6,426	11,367
Profit before tax	13,632	26,284
Overseas tax	1,337	571
Associates' tax	865	4,261
Net profit	11,431	21,432
Extraordinary credits	1,265	*1,273
Outside holders' loss	205	82
Attributable P & O	12,903	22,251

* Debits.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims: Caplan Profile, Jessups, Rand Selection, Spencer Clark Metal Industries.

Finals: Alida Packaging, Buckley's Brewery, Ciro Holdings, Goldring, N. Greening, Holt Products, E. F. Jeavons, Kulim, New Throgmorton Trust, Plysu, Trieius, View Forth Investment Trust, Westbrick Products, B. S. and W. Whiteley.

FUTURE DATES

Interims:—	
Ashmole Investment Trust	June 25
Clifford and Snell	June 6
Grand Metropolitan	June 13
Sungei Bahru Rubber Estates	June 12
Finals:—	
Chamberlain Phipps	*June 10
Ex Lands (The)	June 10
Guthrie Corporation	June 12
Harrisons and Crosfield	June 10
Hawley-Goodall	June 6
Incledon and Lamberts	June 20
London and Overseas Freighters	June 25
Pegler-Hattersley	June 11
Sheepbridge Engineering	June 26
Valor	June 13

* Amended.

MEPC setback: no interim

NET REVENUE, before tax, of MEPC contracted from £8.61m. to only £66,000 in the half year to March 31, 1975, and the directors have decided that payment of an interim dividend cannot be justified.

For the year to September 30, 1974 a net interim of 1.25p was followed by a final of 2.75p, from a pre-tax profit of £14.14m.

There was a stated loss per 25p share of 2.21p for the half year, compared with earnings of 3.45p.

Gross rental income increased from £16.79m. to £18.38m., but other revenue fell from £7.58m. to £4.27m. Property outgoings and other charges jumped from £6.03m. to £9.69m., while interest charges were up from £14.12m. to £16.69m.

Also deferment of development of several major sites and charging the holding cost against the results of the group, as opposed to the previous policy of capitalisation, adversely affected the results by over £3m.

The directors stress that it is not sensible to start construction of commercial property development in the U.K. under present conditions when the building cost of the project, rent receivable, liability to tax and the "penal" rating of vacant premises are all uncertain.

The retention of the sites, which may be irreplaceable under impending legislation, must place the company in a strong position when conditions again make it possible to go ahead, they add.

The foregoing must be viewed against the underlying strength of MEPC with its portfolio of revenue producing properties from which very substantial increased income can be projected over the next few years following the lifting of the rent freeze on March 19, 1975. Total resources available to MEPC are adequate to cover all commitments, it is stated.

	Half-year 1975 £000	1974 £000
Gross rental income	18,375	16,788
Other revenue	4,288	7,579
Making	22,661	24,367
Property outgoings, etc.	9,693	6,031
Interest payable	16,689	14,116
Leaving loss	3,739	*4,230
Transfer†	3,791	4,146
Share associates	14	244
Net revenue before tax	66	8,613
Taxation	1,672	4,399
Minority holders	208	402
Preference div	34	34
Deficit	1,838	*3,778
Deprec. on overseas props.	532	227
Extraordinary debit	1,874	—
Net debit	4,254	*3,551

* Profit. † Amount equivalent to interest and other outgoings applicable to properties held for or in course of development.

Property and other outgoings include a provision of £964,000 for non recovery of debts in Belgium. In addition a provision of £530,000 has been made against the value of certain dealing properties.

Interest payable is after transferring £94,000 (£970,000) to properties held by dealing and house-building subsidiaries.

The tax charge includes £837,000 (£839,000) in respect of overseas tax.

The extraordinary item of £1.87m. arises from provision against possible loss on investments in associated companies in Australia.

The results are attributed to losses in some overseas companies and in certain trading activities; the decision to discontinue capitalisation of interest; and because rents in the U.K. were frozen but costs continued to increase.

Australia suffered a period of uncertainty and a serious recession affecting all aspects of property development and ownership. In current conditions, the successful completion and leasing of Exchange Centre, a major office development in Sydney, remains the principal concern of the Australian subsidiary.

Further, it was considered prudent to appoint a provisional liquidator to manage the affairs of Middle Harbour Investments, an associate active in residential development; provisions have been made against group profit with regard to the investment. In Europe, the situation is also difficult.

"Although group profits are insignificant, there is a material tax charge due to overseas losses arising in circumstances where they cannot currently be offset against profits in other areas.

In the U.K., the difficulties of house development during the last year had an adverse effect on MEPC's house-building and trading companies with the result that losses were incurred.

See Lex

Austin Reed long term confidence

"I REMAIN an optimist," says Mr. Barry Reed, chairman of men's outfitters Austin Reed Group. He feels that the longer term prospects are as strong as ever.

The immediate outlook is perhaps not so bright. Trading to the end of April has not been particularly buoyant — manufacturing results are on target but retail sales, both at home and overseas are below expectations.

As to the Referendum, he points out that withdrawal from the EEC would inhibit the development of Reed's European stores and curtail the export growth of the manufacturing companies.

In view of the rather rapid store development since 1971 and the current economic outlook, capital expenditure in the immediate future will be strictly limited and concentration will be on improving the return on capital already employed.

In the year ended February 1, 1975, group sales reached £24.51m. (£20.73m.) and profits were £2.11m. (£1.91m.) including surplus on property deals, as stated on April 5 with the 2.18p (1.97p) dividend.

Mr. Reed says bank facilities available are well in excess of present needs.

Meeting, 18-21, Sackville Street, W., June 26 at noon.

Edward Jones improvement— scrip issue

For 1974, profit before tax of Edward Jones (Contractors) shows a £35,537 improvement at £178,689.

At half way when reporting profits up from £62,000 to £91,000 the directors said a healthy order book should ensure the full year's figures would continue to reflect the company's forward progress.

	1974 £	1973 £
Turnover	2,308,029	1,828,490
Pre-tax profit	178,689	143,152
Tax	95,192	81,742
Net profit	83,497	60,410
Minority loss	4,473	3,316
Pre-acquisition profit	—	5,322
Balance	87,970	68,404

They now say that the first four months trading of 1975 is following a similar pattern to last year but it would be imprudent to forecast the likely results for the year.

Earnings per 10p share are shown at 2.37p, against 1.63p, and the dividend is raised from an adjusted 0.8286p to a maximum permitted 0.91347p net. A one-for-ten scrip issue is also proposed.

Rotaprint second half downturn

AFTER rising from £169,000 to £193,000 in the first half, taxable profits of printing and duplicating equipment manufacturers, Rotaprint fell from £572,000 to £502,000 for all the year ended March 29, 1975.

A final dividend of 1.598p maintains the net total at 2.648p.

The directors explain that demand in the U.K. and many industrial countries declined during the second half as the world recession deepened, and inflation in the U.K. gathered momentum.

Growth in sales of consumable products was maintained both at home and overseas, they report.

	1975	1974
	[illegible]	[illegible]
Home sales	5,072	4,579
Overseas (incl. exports)	3,300	2,778
Total sales	8,372	7,335
Profit before tax	502	572
Corporation tax	251	280
Net profit	251	292
Pref. dividend	5	5
Ordinary interim	33	33
Recommended final	23	21
Forward	747	438

Hazlewoods back to profits

A turnround from a loss of £14,889 for the previous 14 months to a pre-tax profit of £20,392 for the year to March 31, 1975 is announced by Hazlewoods (Proprietary). Earnings per 20p share are shown at 5.75p (loss 6p).

As before there is no dividend. The directors are unable to specify the position but first priority will be the payment of £11,025 (after tax credit) of Cum. Preference dividends accrued in respect of the period June 30, 1971 to December 31, 1974.

A rights issue is proposed on the basis of one-for-two Ordinary at 25p per share, and five Ordinary for two Preference at 25p per share, to increase the capital base of the company.

	1974-75 £	*1973-74 £
Turnover	622,398	337,192
Directors' & audit fees	18,528	10,493
Interest etc. charges	26,980	2,633
HP and leasing	5,634	—
Depreciation	8,499	7,508
Profit	20,392	†14,889

* 14 months. † Loss.

There is no tax charge (same).

The company manufactures sauces, pickles and vinegars.

Times Veneer scrip issue

After a fall from £113,007 to £91,323 at half way, taxable profit of "The Times" Veneer Co. contracted from £215,754 to £138,604 for all 1974.

Earnings are shown to be down from 1.77p to 1.11p per 5p share. A final dividend of 1.1849p net makes a total of 6.3849p against an adjusted 6.3906p. Dividends totalling £5,284 (£6,974) have been waived.

The Board is recommending an increase in authorised share capital to £500,000 and a one-for-five scrip issue.

	1974 £	1975 £
Sales	2,710,749	2,244,042
Pre-tax profit	138,604	215,754
Tax	73,232	111,966
Net profit	65,372	103,888
Retained	48,065	87,924

COMPANY NEWS IN BRIEF

DUTTON-FORSHAW GROUP (National distributors of motor vehicles and construction and agricultural equipment)—Results for 1974 reported on May 9. Group fixed assets £12.83m. (£9.40m.). Group net current assets £3.32m. (£3.18m.). Meeting 5, Belgrave Square, S.W. on June 12 at 11.30 a.m.

F. MILLER (TEXTILES)—Results for year to February 13, 1975 reported April 8. Fixed assets £352,779 (£326,669). Net current assets £1.29m. (£1.04m.). Chairman says company is in extremely strong financial position. Meeting, Glasgow, June 12 at noon.

FUTURA HOLDINGS (footwear and rubber manufacturers)—Results for 1974 reported May 6. Chairman says that the company has secured good order books and has not had to resort to short-time working. However, in the existing economic climate, it would be unwise to forecast 1975 profit although, if the situation does not materially worsen, there is no reason why profit levels should not be maintained. Fixed assets £303,285 (£294,298), net current assets £0.72m. (£0.56m.). Meeting, Stalybridge on June 13 at noon.

LOWER PERAK TIN DREDGING BERHAD—Interim dividend 30 cents in respect of year ended April 30, 1975. Pay June 25. Board does not propose to recommend another dividend in respect of the year.

MARSHALL'S UNIVERSAL (motor concessionaires and distributors, etc.)—Results for 1974 reported May 2. Statement of Sources and Application of Funds shows net purchases of fixed assets, including effect of currency fluctuations, at £96,002 (£921,202), an increase in stocks of £1.40m. (£141,656 decrease), movement in net liquid funds £597,908 (£1.42m.). Fixed assets £3.50m. (£3.63m.), net current assets £3.78m. (£2.59m.). Chairman anticipates that outcome for current year "will continue to give satisfaction." Meeting, Croydon on June 23 at noon.

PALMERSTON INVESTMENT TRUST—Interim dividend down from 0.575p to 0.532p per 25p share for half-year to September 30, 1974. Net income from property after deducting all property expenses £70,186 (£72,150), net surplus on sales of properties £15,679 (£90,868), company management expenses £9,384, less interest received £4,265. Pre-tax profit £39,906 (£161,857), interest payable £112,638 (£103,926), tax nil (£1,656), leaving deficiency £22,432 (surplus £55,475). Chairman says that decline in sales has only been slightly offset by relatively small increase in net rental income. In second six months the sale was completed of the last lease in the pre-war block of flats and it is anticipated that this will effectively contribute to reduce substantially the estimated deficiency for the year.

THE EAST SURREY WATER COMPANY—Net revenue for year to March 25, 1975 £412,107 (£353,050). Dividends absorb £288,962 (£288,999). Chairman says that net capital expenditure kept down to £291,000. Referring to increases in the water rate and charges for meter supplies, he says the effect on average householders is that annual bill for water will be about £20, against £10 in 1970. The directors intend to raise additional capital during 1975-76. Meeting, Redhill on June 26 at 10.30 a.m.

WILLIAMS LEA GROUP (specialist printers)—Pre-tax profits £174,000 (£172,000) half-year to March 31, 1975. Sales £2,350,000 (£2,028,000). Tax £98,000 (£89,000). Net profit £76,000 (£83,000). Chairman says group is in a sound financial position and actively seeking to expand interests.

YORKSHIRE AND LANCASHIRE INVESTMENT TRUST—Interim dividend 0.35p per share (same). Investments valued at March 31, 1975, £1,129,569 (£744,608 at Sept. 30, 1974). Net current liabilities £183,750 (£149,473 assets). Term and special bank loans £187,000 (same). Net assets £838,819 (£798,131) or 31.0p (17.7p) per 25p share. Gross revenue less bank interest for six months to March 31, 1975, £25,346 (£49,956). Expenses £4,388 (£4,800). Tax £6,553 (£12,300) leaving £14,405 (£32,856). Interim dividend £14,000 (same). Reduction in revenue is because the company has been fully invested to obtain benefit of rise in share prices, and while this is reflected in improvement in net asset value, it has meant less interest from money on deposit. While directors expect total revenue for year to be less than last year they anticipate recommending that total dividend with tax credit be not less than the 1.5872p gross paid last year.

TKM on target for better year

MR. K. THOROGOOD, chairman, told the annual meeting of Tozer Kemsley and Millbourn (Holdings) that group results thus far were pretty much as expected, which was the prospect of a better year in 1975 than in 1974, although this would not be reflected in profits for the first half.

For the first six months uncommon seasonal fluctuations distorted the comparison between 1974 and 1975, he explained.

Mr. Thorogood reported that the motor interests had improved and BMW, Mazda GB and Mazda France were making good profits. Results of the food division continued to be disappointing but losses suffered during 1974 were being contained.

He stressed that the wide spread of interests would again assist in cushioning the effects of a downturn in any one area (notably the U.K.) or any one type of activity.

Mace Rainbow

Mace, Rainbow and Stone, Redruth-based manufacturers of ladies coats and suits, says that due to the severe liquidity problems of the company and certain of its subsidiaries it has asked Barclays Bank to appoint a receiver and manager.

In the year 1974 the company reported a net loss after all charges of £10,638. At the company's request, its shares have been temporarily suspended.

Hemdale U.S. earns more

Revenue of Hemdale Enterprises Inc. advanced from $4.27m. in 1973-74 to $5.88m. in the year to February 28, 1975. Net operating profit was up from $135,775 to $212,479.

Net operating profit per share improved from 6 cents to 9 cents. It excludes a gain from discontinued operation equal to 13 cents (61 cents) and a gain on the sale of assets equal to 58 cents (nil).

MINING NEWS

Falconbridge Nickel, a two-way bet

BY LESLIE PARKER, MINING EDITOR

[THE] SAGA of suffering inflicted [by] the Ontario Government on [Can]ada's Falconbridge Nickel is [typi]fied by the company's March [qua]rterly report, delayed in the [hope] that the tax dispute with [the] Government would be re[solv]ed so that the earnings figures [coul]d be issued in a straight[forw]ard manner.

[In] the event, they have to be [stru]ck on a two-fold basis. But [Falc]onbridge's president Mr. [Mar]sh A. Cooper is still hopeful [that] a satisfactory solution will [be] found. Discussions are con[tinu]ing but there is uncertainty [abou]t their completion date.

[In] the meantime, assuming the [prop]osal whereby the company's [Kristians]and (Norwegian) processing [cost]s will not be allowed as a [dedu]ction for tax purposes will [go t]hrough, first quarter earnings [cam]e out at $1.74m. or 35 cents [a sh]are. On this assumption, it is [stat]ed, the effective rate of tax [on] the integrated nickel opera[tion]s would be 131 per cent. so [that] they would have resulted in [a lo]ss of $0.26m.

[In]come and mining taxes would [incr]ease sharply to 73 per cent. [of] consolidated profits from 52 [per] cent. in the same quarter of [last] year. On the other hand, [if o]ffshore processing costs were [to] be still allowed March period [earn]ings would be $2.4m. or 48 [cen]ts a share.

[G]oing on to more general [mat]ters Falconbridge says that [deli]veries of electrolytic nickel [wer]e 22 per cent. lower in the [qua]rter than a year ago at 16m. [pou]nds and those of ferro-nickel [...] per cent. lower at 13.37m. [pou]nds. An offsetting factor was [the] 1974 price increases. Mr. [Coo]per forecasts a strengthening [of] sales by the last quarter of [197]5. Working capital expanded [dur]ing the past quarter to $192m. [($18]5m.).

[M]OGUL'S LOSSES

[It] is reported from Canada that [Int]ernational Mogul Mines made a loss of $10.3m. last year and [tha]t executive changes are in train. This is the company that has a 75 per cent. stake in Ireland's Silvermines lead-zinc mine in Tipperary. The other 25 per cent. is held by the Dublin company, Silvermines. In 1973 Mogul made a profit of $4.75m.

Hitting the results in both years has been the changed mining tax situation in Ireland. Investment write-downs and currency losses also played a major part. Executive changes are designed to streamline the direction of the 16.8 per cent.-owned Coldstream Mines.

SOUTH AFRICAN GOLD SALES

South Africa's gold holdings were unchanged at R519.3m. in the week ended May 30, according to figures issued by the Reserve Bank. This suggests that the Republic's gold sales accounted for the full week's production, there being neither sales from reserves nor retentions.

During the same period the bullion price fell from $173 to $168 per ounce. This week the price dropped to 116.75 on Monday following news that the U.S. intends to hold its second gold auction—of 500,000 ounces—on June 30: the first auction, which was held in January, proved to be a failure with only 754,000 ounces being sold out of the 2m. ounces which were offered. However, the gold price has steadily recovered since Monday's sharp fall. It closed yesterday at $164.50.

MINERS EXTEND DEADLINE

The South African Council of Mining Unions has extended its deadline for a declaration of dispute with the Chamber of Mines until June 13. The dispute arises out of the lack of progress made regarding the white miners' demand for a five-day working week.

Having extended its deadline, the Council of Mining Unions says that unless positive progress over the claim is achieved at the June 13 meeting with the Chamber, a dispute will be declared immediately afterwards.

Buffels pays out

WHILE the South African gold producers' June dividend season has been awaited with some trepidation, at least it can be said to have opened with a happy bang as far as the General Mining group's Buffelsfontein is concerned. Market estimates ranging up from a minimum 75 cents are far surpassed by a final of 105 cents which makes a 1974-75 total of 180 cents against 160 cents for the previous year.

Stilfontein, on the other hand, reflects the high level of capital spending coupled with rising costs in declaring a reduced interim of 16 cents. This goes against 27½ cents a year ago and the subsequent final of 37½ cents.

The veteran West Rand Consolidated is also reducing its interim, the payment being dropped to only 5 cents compared with 20 cents last time and the 1974 total of 40 cents. This, it is stated, results from a fall in gold production which has been hit by labour shortage and the need to mine a large tonnage of ore from the lower grade Kimberley reef.

FREEPORT AID FOR GREENVALE

It is reported from Melbourne that, according to banking sources there, America's Freeport Minerals has guaranteed a loan of $8m. to save the $264m. (£150m.) Greenvale nickel project. Freeport is said to have made this offer to the ANZ banking group.

As already reported, Freeport's partner in Greenvale, Metals Exploration, is hard-pressed to find its $8m. share of the over-run costs of the venture. Busily trying to raise loans from Government and other sources, Metals Exploration has said that if it is unsuccessful in these attempts Greenvale will have to be closed down.

The operation is due to reach full capacity production sometime next year. Although the nickel market is depressed at the moment and Greenvale is faced with high production costs, so much money and effort have been spent on the venture that it seems to be not so much a question as to whether Metals Exploration will be bailed-out as to who will do it. Metals Exploration were 38p yesterday.

PEKO & EZ DENY CONNOR CHARGES

Australia's Peko Wallsend-EZ Industries uranium partnership has taken the Federal Minister for Minerals and Energy, Mr. R. F. X. Connor, to task for his reported statement that it has backed out of the uranium contractual arrangements with the Government and that it wants an interest-free loan.

In a joint statement the companies deny that they have ever sought Government loans for their 27.5 per cent. share of the cost of the proposed Ranger uranium operation in the Northern Territory. They say that they have no intention of backing out of the deal made with the Government and add that their financial position is sound.

The companies point out that the agreement provides that future sales of yellowcake produced at Ranger will be negotiated by the Atomic Energy Commission as agent for the Government and that there is nothing to prevent the sale of uranium as it is produced. "In fact," they add, it was agreed in principle "that an early cash flow arising from uranium sales was in the best interests of all parties."

PNG & OK TEDI

Efforts by the Papua-New Guinea Government to further the Ok Tedi copper project in north-west Papua following the breakdown of talks with the discoverer Kennecott Copper go steadily on. It is now prepared to spend $6.5m. (£3.76m.) on a preliminary feasibility study. It is hoped to save money by developing the two main known deposits, Olgal and Fubilan, jointly. Drilling is planned for Olgal in October and for Fubilan early next year. Kennecott was concentrating on the latter.

If drilling to 5,000 feet at both sites proves favourable the Government will proceed with a preliminary feasibility study. A full-scale study would take two years and cost $10m. to $15m. (£8.7m.) it is added.

Philip Hill Investment lifts total

REVENUE, BEFORE tax, of Philip Hill Investment Trust increased from £3.12m. to £3.7m. in the year to March 31, 1975.

Stated earnings per 25p share increased from 4.81p to 5.17p, and the dividend is raised from 4.4p to 5p net with a final of 3p.

	1974-75	1973-74
	£000	£000
Franked income	3,367	3,370
Unfranked	1,996	1,581
Total gross revenue	5,383	4,951
Admin. expenses	235	205
Interest charges	1,448	[illegible]
Revenue before tax	3,700	3,119
Taxation	1,326	805
Net revenue	2,374	2,314
Preference dividends	48	46
Ordinary	2,250	1,969
Retained	76	196

Net asset value per Ordinary share was 127p (138½p). Allowing for conversion of Loan stock the net asset value would have been 130½p (141½p)—at May 31, 1975, it had risen to 159½p or 160½p allowing for Loan conversion.

Exports on target at Mentmore

Mr. A. E. Andrews, chairman of writing instruments and plastic mouldings manufacturers, Mentmore Manufacturing, reports that for the first three months of the current year, exports are still running at a satisfactory rate, and are bringing the group well up to its budgeted target of £1m. for the year.

Exports for 1974-75 increased by 51 per cent. from £0.53 for the 13 months to January 31, 1974, to £802,216 for the year to end January, 1975. The increase was achieved by an intensive series of export drives, particularly in the Middle East market and Australia which between them accounted for some 80 per cent. of the increase.

As reported on May 13, taxable profits rose from £513,285 to £639,040 in 1974-75 on external sales of £6.62m. (£5.71m.) and the dividend is 0.76309p (0.75983p) net.

Burmah Oil Action Group proposals

The Burmah Shareholders Action Group is planning to attempt to have the Burmah Oil accounts for 1974 adjourned and to move a resolution pressing for equitable treatment for shareholders, at today's annual meeting in Glasgow.

A deputation from the Action Group which now claims 1,000 members, yesterday met Mr. Jasper Hollom, the deputy governor of the Bank of England to express its views on the lack of information available to shareholders and on the case for a renegotiation of the terms of the sale of Burmah's shares in British Petroleum to the Bank of England.

The resolution which the Action Group intends to put to the Annual Meeting says that the meeting regrets the Government's refusal to contemplate any alternative to an outright sale of the BP shares at the "unrealistically low" value received by the company.

It calls on the Board to take all appropriate action to secure equitable treatment of the company and its stockholders, and it deplores the distress caused to stockholders and urges the Board to resume payment of dividends on Ordinary and Loan stocks at the earliest possible date.

J. Billam upsurge

In line with midway expectations, profits before tax of cutlers J. Billam, reached record levels in 1974 with a rise from £170,706 to £246,243, after £141,284 against £75,722 for the first half.

Tax for the year takes £128,766 (£92,656) leaving the net profit up from £78,050 to £117,477.

Net earnings are given as 7.83p against 5.2p per 10p share and the dividend is lifted from 2.79375p to 2.947p net with a final of 2.21p.

The directors say that while satisfactory progress has been made so far this year, in the light of the present economic climate it is very difficult to forecast future results.

Bankers Investment

After tax of £567,135 (£463,397) net revenue of Bankers Investment Trust rose from £808,081 to £848,788 for the year ended April 30, 1975. Gross income amounted to £1.55m. against £1.38m.

Earnings per 25p share are given at 2.076p compared with 1.971p and the dividend, already known, is lifted from 1.78p to 1.91p with a final of 1.07p net.

Net asset value was 58.7p (53.5p) per share at April 30.

SOUTH AFRICAN TOWNSHIPS MINING AND FINANCE CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

REPORT FOR THE HALF-YEAR ENDED 31st MARCH, 1975 AND DECLARATION OF INTERIM DIVIDEND No. 75

The following are the unaudited results of the corporation and its subsidiaries for the half-year ended 31st March, 1975 together with comparative figures for the half-year ended 31st March, 1974 and the year ended 30th September, 1974. These should be read in conjunction with the notes below:

	Half-year ended 31.3.75	Half-year ended 31.3.74	Year ended 30.9.74
	R000's	R000's	R000's
Group profit before taxation ...	3 159	2 730	4 939
Deduct: Provision for taxation and deferred taxation	129	302	271
Group profit after taxation ...	3 030	2 428	4 668
Less: Profit attributable to minority interest in subsidiary company	2	3	5
Group profit attributable to South African Townships Mining and Finance Corporation Limited	3 028	2 425	4 663
Cost of interim dividend No. 75 of 27.5 cents a share ...	1 320	1 200	
Number of shares in issue, ...	4 800 000	4 800 000	4 800 000
Earnings per share—cents ...	63.1	50.5	97.1
Dividends per share—cents ...	27.5	25.0	65.0

NOTES:

1. Particulars of the group's listed investments and the net asset value are as follows:

(a) Listed Investments	31.3.75	31.3.74	30.9.74
	R000's	R000's	R000's
Market value	86 830	113 411	86 939
Book value	6 694	6 678	6 694
Appreciation	80 136	106 733	80 245
(b) Net asset value which includes unlisted investments at book value—cents per share	2 093	2 603	2 032

2. It should not be assumed that the results for the half-year ended 31st March, 1975 will necessarily be proportionate to the results for the year ending 30th September, 1975 because income from investments and stand sales does not accrue evenly throughout the year.

3. On 1st April, 1975 Sabel Developments (Proprietary) Limited became a wholly owned subsidiary when the corporation acquired the previous minority interest.

DECLARATION OF INTERIM DIVIDEND NO. 75

Notice is hereby given that dividend No. 75 of 27.5 cents a share (1974: 25.00 cents), being the interim dividend for the year ending 30th September, 1975, has been declared payable to shareholders registered in the books of the corporation at the close of business on 20th June, 1975, and to persons presenting coupon No. 77 detached from share warrants to bearer. A notice regarding payment of dividends on coupon No. 77 detached from share warrants to bearer will be published in the press by the London Secretaries of the corporation on or about 13th June, 1975.

The transfer registers and registers of members will be closed from 21st June to 5th July, 1975, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 24th July, 1975. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 15th July, 1975 of the rand value of their dividends (less appropriate taxes). Any such shareholders may however elect to be paid in South African currency, provided that the request is received at the offices of the corporation's transfer secretaries in Johannesburg or in the United Kingdom on or before 20th June, 1975.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

By order of the Board

G. W. H. Relly } Directors
C. D. M. Melville }

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001,
(P.O. Box 61051,
Marshalltown,
2107) South Africa

Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent TN23 1QB

Registered Office:
44, Main Street,
Johannesburg,
2001.

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

4th June, 1975.

BIDS AND DEALS—(Cont'd.)

BRITISH CAR AUCTION PURCHASES

British Car Auctions Ltd., a subsidiary of the British Car Auction Group has purchased the freehold of four of its auction premises at present held on lease; those at Mesham, Tunbridge Wells, Checkley, and Alexandra Palace.

Aggregate yearly rent at present payable is £42,750. The purchase price is £430,000 cash. No director of hte British Car Auction Group or if British Car Auctions has any interest in the vendor company.

The purchase is being financed by a medium-term loan of £350,000 from the company's bankers, with the balance from group resources.

JAMES NEILL ACQUISITION

James Neill Holdings, through its subsidiary, James Neill (U.S.A.), has acquired the assets of Atlantic Saw Manufacturing of Connecticut. Cost of the acquisition is not significant in relation to James Neill group assets it is stated.

EST. & GENERAL

In a letter to shareholders of Estates and General Investments Mrs. R. J. Davidson, the deputy chairman says the company has been revitalised by the introduction of the new team from County and Suburban Holdings with which Estates propose to merge, and she urges shareholders once again to approve the merger. Mrs. Davidson has become deputy chairman following the resignation of Sir Leonard Dyer, the chairman, who has suffered a serious deterioration in an illness he has had for some time.

SHARE STAKES

Rothschild Investment Trust and Guinness Peat Group have each acquired a further 32,500 fully paid shares in Esperanza Trade and Transport.

Temple Investment and Finance acquired 1m. ordinary shares of Kaduna Syndicate from London and Associated Investment Trust and now holds 29.55 per cent. of the share capital.

E. E. Jeavons and Co. has been informed by Midland-Yorkshire Holdings that it has acquired a further 5,000 ordinary shares in the company bringing its total holdings to 678,310 (2.44 per cent.).

MIDLANDS TRUST

Britannic Assurance has instructed its stockbrokers to purchase any of the Midland Trust 4½ per cent. cumulative Preference shares available on the Stock Exchange at 55p ex dividend. This order will remain in force until the close of business on June 27.

More bids page 31

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Accent on diversification at Hoffman-La Roche

BY JOHN WICKS

ZURICH, June 4.

COMBINED GROUP turnover F. Hoffman-La Roche and its Canadian holding affiliate, Sapac Corporation, rose 9.3 per cent. last year to Sw.Frs.5.05bn. compared with Sw.Frs.4.6bn. in 1973. Growth rates in terms of local currencies were considerably higher, since the Swiss-Franc exchange rate rose sharply in 1974 and the two groups would have shown a joint sales rise of some 18 to 19 per cent. had parities remained unchanged over the year.

Speaking at a Press conference of Hoffman-La Roche in Basle, Company President Dr. Adolf W. Jann said that the share of pharmaceuticals in combined Roche-Sapac sales was on the decline. Formerly at a level of some 70 per cent. of total turnover, it had reached a share of 57 per cent. to-day and a further development of diversification activities was expected to reduce the share further to about one half, even although actual pharmaceutical sales were still growing. Other major activities were those in the vitamins and chemicals field with 22 per cent. and in the flavours and fragrances sector with 10 to 11 per cent. of the whole, the remainder being accounted for by such products as cosmetics, diagnostics, agricultural specialities and bio-electronics.

Development last year within the framework of the Sw.Frs.5,048.7m. sales total which, Dr. Jann disclosed, was accounted for to about 60 per cent. by Sapac subsidiaries and 40 per cent. by the parent company and its Continental European subsidiaries, showed a "slight increase" in pharmaceutical specialities turnover following a stagnation in this field in 1973. There was considerable volume and value growth in fine chemicals turnover, though without a corresponding increase in profitability due to the exchange-rate situation. Sales of perfumes and flavourings rose at a much faster rate than those of the group as a whole and profitability "improved considerably" compared with previous years. Cosmetics sales rose, though they were rather below turnover objectives for the year.

Cash-flow for the two groups taken together reached Sw.Frs.791.6m., with the group's net income accounting for Sw.Frs.521.7m. Each of the two parent undertakings has declared an increased dividend of Sw.Frs.550 (525) per share.

For the current year, Dr. Jann said that Swiss franc turnover in the first four months was 10 per cent. down on that for the corresponding 1974 period, despite an actual rise in sales volume. He expressed the hope that this decline, due to the exchange-rate position, would be partially offset by an improvement in the rates in favour of other currencies.

Research costs, he said, were running at about some 15 per cent. of turnover. The concern was, however, taking measures to counter an explosive development in this sector. A case in point was that of the group's basic-research institutes for microbiology and immunology, which would in future have to keep to a strict budget. In other fields of chemical research there would be increased control over personnel and funds, he indicated.

Capital expenditure in 1975 is put at some SW.Frs.550m.-600m. for the companies of Roche and Sapac groups, as compared with the investment total of Sw.Frs.515.9m. booked for last year. Among important new investment projects are the large vitamin C plant to be built either at Sisseln, Switzerland, or Village-Neuf, France, new vitamin E capacities at Nutley, New Jersey, and the intended building of a plant in Freeport, Texas, to produce intermediates for the manufacture of vitamins and aromatics.

Landis/Frieseke deal

BY RAY DAFTER

THE SWISS-BASED Landis and Gyr group and Frieseke and Heopfner of West Germany have merged their product divisions involving the measurement and control of basis weight, thickness, density, humidity and industrial process controls.

A new jointly-owned company, Polycontrol, has been formed to co-ordinate the operation.

In the U.K. and Eire, Polycontrol will be served by a new division at Landis and Gyr of London. Its manager, Mr. Vince Chambers, was previously associated with the Landis and Gyr industrial process control division at North Acton.

VAW predicts heavy 1975 loss

BY NICHOLAS COLCHESTER

BONN, June 4.

AFTER A GOOD year in 1974 Vereinigte Aluminium-Werke, West Germany's largest producer of aluminium, faces "the most difficult year for the German aluminium industry since the War." Dr. Rudolph Esherich, the chairman, told a Press conference in Dusseldorf on Monday.

The chairman predicted that VAW would again make considerable losses in 1975, after breaking even in 1974. He said that this loss would be larger than the operating deficit of DM50m. registered in 1972 and 1973.

On top of this gloomy news came the recommendation from the German Monopoly Commission that the Economics Ministry turn down the plan developed between VAW, Kaiser Aluminium of the U.S. and Preussag, whereby VAW was to effectively take-over Preussag's interest in the troubled Kaiser-Preussag joint venture in aluminium. The Ministry has yet to take its decision.

After working at full capacity last year VAW is this year feeling the impact of a sharp slump in export orders for aluminium. Its figures for the first quarter show that West Germany produced 173,000 tons of aluminium—an increase of 10.7 per cent. on last year's production—while VAW smelted 83,600 tons and showed a rise of only 2.1 per cent. the foreign trade figures for the same period show that Germany imported 73,000 tons compared with 101,000 tons in the first three months of 1974, and that exports of raw aluminium totalled 26,000 tons against 36,000 tons a year earlier.

In the whole of 1974 VAW produced 342,000 tons of raw aluminium compared with 271,400 tons in the previous year and with West Germany's total raw aluminium output of 689,000 tons. This expansion of production allowed VAW to improve its operating result by some DM80m. and to report a net profit for the year of DM22.3m.

VAW cut back sharply on its capital investment last year from DM155m to DM83m. The latter figure compared with depreciation of DM118m. This year the lower level of investment will be continued with a projected DM80m. to compare with depreciation of some DM95m.

The VAW chairman declared that his company would not take over the whole or part of the Hamburg aluminium smelter of Reynolds Metals, which has been prevented from running at more than two-thirds capacity by environmental lawsuits and which the multi-national metals group wants to sell. VAW is having discussions with Reynolds but these involve, at the most, the possibility of renting or leasing the Hamburg smelter.

Peine-Salzgitter moves into the red

BY GUY HAWTIN

FRANKFURT, June 4.

AFTER THEIR best year on record, Stahlwerke Peine-Salzgitter has gone into the red. The annual meeting has been told that during the first seven months of the 1974/75 business year the concern has been operating at a loss.

However, Herr Hans Birnbaum, the supervisory Board chairman, reported that for 1973/74 Piene-Salzgitter contributed DM280m. to the Salzgitter group's profit figures. The "unexpectedly good" profits were largely the results of strong export demand.

In common with all other German steel concerns, Peine-Salzgitter has experienced a heavy fall in demand during the current year. But Herr Birnbaum stated that steel demand was speculative and in real terms lower than true demand.

Peine-Salzgitter was expecting the market to stabilise, judging by the level at which orders were coming in and the degree by which production had been reduced. It was believed that a slight upswing in demand would be noticed in the autumn of this year.

Pressure on Xerox to shed Rank interests

By Guy de Jonquieres

WASHINGTON, June 4.

THE FEDERAL Trade Commission was asked again to-day to order Xerox to divest itself of Rank-Xerox and Fuji-Xerox, its joint venture in Japan, in order to open up the world-wide office copier market to competitors.

The demand was lodged by SCM, one of Xerox's lesser competitors in the office copier field, at a hearing here to-day on the proposed anti-trust settlement negotiated between the FTC and Xerox about six weeks ago. In a sharp attack on the proposed settlement a lawyer for SCM, Mr. Stephen Kaye, said that it "offered nothing to competitors," and that Xerox's interest in the two foreign subsidiaries enabled it to maintain a cartel.

The divestiture of Rank-Xerox and Fuji-Xerox had been one of the stated goals of the FTC's anti-trust action when it was launched four years ago. It was dropped, however, in the tentative settlement which the FTC announced last November and the subsequent agreement which the FTC proposed in April.

The earlier settlement was rescinded last February after Xerox's competitors bitterly attacked it as inadequate. The FTC is due to decide whether to make the revised settlement final sometime in the next few weeks after giving the competitors another chance to air their views.

So far, the public reaction to the latest FTC proposal has been hostile. In addition to renewing earlier calls for the divestiture of the two Xerox joint ventures SCM also called for a further tightening up of the FTC proposals to order Xerox to share its patents with its competitors.

International Business Machines, which manufactures two office copiers, criticised the proposed FTC requirement that any company taking up a Xerox patent must grant its own licence to others. This would create compulsory patent pooling" in the industry for the balance of the century, an IBM representative said.

Rothschild in France tightens family links

By Rupert Cornwell

PARIS, June 4.

FOLLOWING several months of negotiation, the two main French branches of the Rothschild family to-day unveiled plans to tighten their links and increase their joint weight in the financial and banking sectors.

The main feature of the new arrangements is for Baron Guy, head of the Compagnie du Nord holding concern which controls the giant Le Nickel/Penarroya as well as the Banque Rothschild, to take a substantial interest—reported to be 15 per cent.—in the equity of Cie Financiere, run by his cousin, Baron Edmond de Rothschild.

At the same time it is understood that the private bank Vernes et Commerciale de Paris will also take a minority holding in Cie Financiere, perhaps also of around 15 per cent.

The deal should also help Baron Guy's aspirations to become a major international banking force — evidenced earlier this year with the take-over of Mr. Jimmy Goldsmith's Discount Bank. At the end of 1974 the Banque Rothschild balance-sheet totalled Frs.3.735bn. and it has become increasingly active in the foreign sector.

Pernas must now make offer for rest of Haw Par shares

BY H. K. LEE

SINGAPORE, June 4.

THE SINGAPORE Securities Industry Council in a letter to Haw Par Brothers International to-day ruled that the Singapore code on take-overs and mergers — which is modelled on the London city code—applies to the company's transaction with Pernas Securities.

The main implication of this ruling is that Pernas Securities will now have to make an offer to acquire the rest of the Haw Par shares at not less than $Sing.1.62 a share—the effective price which Pernas "paid" for their new Haw Par shares in the share-swap agreement.

However, approval for the share-swap agreement is not conditional upon shareholders' acceptance of Pernas Securities' offer to acquire their shares if Pernas Securities makes the offer for the rest of Haw Par shares at $Sing.1.62 a share, it is unlikely that shareholders will accept the offer. The last traded price of Haw Jar in Singapore prior to its suspension was $Sing.2.40.

The Securities Industry Council's announcement to-day follows yesterday's statement by the Singapore Government on the transaction. In the statement, the Singapore Government declared that while it had no objection in principle to the acquisition by foreign companies of an interest in Singapore companies, it was a matter of concern to the Singapore Government that the rights of small shareholders were protected.

Meanwhile, the Stock Exchange of Singapore to-day also issued a letter to Haw Par querying certain information in the company's accounts and past statements by the company.

Among the queries is one relating to the company's total value of net assets attributable to shareholders. The Stock Exchange wants to know the reason for the apparent diminution in the total value of net assets attributable to shareholders amounting to $Sing. 112.8m. or $Sing.1.08 per share between January 11, 1974 and December 31, 1974.

The diminution figure was arived at by taking the difference between the total net assets attributable to shareholders figures as on January 11, 1974 when Haw Par made an offer to take over another company, Motor and General Underwriters Investment Holdings, and that released recently in connection with the Pernas transaction.

Fuji Photo sees upturn

TOKYO, June 4.

FUJI PHOTO Film said it expects net profit for the six months ending October 31 to be slightly higher than the Y2.00bn. in the six months ended April 30. The figure for the half-year ended April 30 was down 21 per cent. below the previous term.

Gross sales are also likely to increase moderately from the preceding period's Y91.650bn., which was 1 per cent. above the previous term, a company spokesman said.

The decline in net profit in the past six months was due mainly to large production cutbacks, which reduced the company's operational rate to 75 per cent. of capacity, as well as higher wage and transportation costs, he said.

The company declared an interim dividend of Y3.75 for the past six months, unchanged from the previous term.

The spokesman said the production cutback enabled the company to lower its stocks by Y3bn. to Y7bn. As a result of this and also for seasonal reasons, the company expects to increase its production by 7 per cent. during the current six months, he added. Reuter

Cuba plans DM200m Euroloan

BY HUGH O'SHAUGHNESSY

MORGAN GRENFELL has been appointed lead manager in a DM200m. loan for the Banco Nacional de Cuba to be used on investment projects detailed in the 1976-80 Five Year Plan. The loan is for five years with a two years' grace period and a spread of 1¾ per cent. over the London InterLank Rate.

The co-managers include Havana International Bank, Midland Bank, Banque de Suez et de l'Indochine, Royal Bank of Canada (London), Orion Bank and Libyan Arab Bank. This is the first major loan by Cuba in the London Eurocurrency market this year.

Meanwhile, Deutsche Bank confirmed as lead manager that the United States of Mexico will float a DM100m., 9 per cent., seven-year loan at a price yet to be fixed. The issue is expected to go on sale from June 19. It will be quoted on the Frankfurt bourse, Reuter reports.

*

A spokesman for Comalco confirmed the company has arranged to raise DM50m. through a placement in Europe. The funds will form the last part of Comalco's share of the finance for expansion of the 50 per cent. owned aluminium smelter at Bluff, New Zealand, he said.

*

The dollar market is being tested by a $50m. issue of seven-year notes by the European Coal and Steel Community (ECSC). The notes are expected to carry a coupon of 8¾ per cent., the first straight dollar debt public issue to carry a coupon below 9 per cent. since April last year. The issue is likely to be priced at a small discount, according to the lead manager, Banque de Paris et des Pays-Bas.

A $20m. issue of bonds due June 15, 1984, is being made by the Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe, a regular borrower in international capital markets since 1959. A coupon of 9¼ per cent. is expected with the issue price at a discount.

*

Wheelock Maritime International told Reuters it arranged a $10m. medium-term syndicated loan. A company spokesman said the funds will be used for refinancing purposes. But he declined to give further details of the loan which is from a consortium of banks led by Brandts.

Keppel Shipyard, which is owned by the Singapore Government, has announced a bond issue of $12m. at 9¼ per cent. to finance expansion, including construction of a 150,000-ton drydock, AP-DJ reports. The unsecured bond maturing in 1982 is guaranteed by the Singapore Government. There will be mandatory redemption at par over the last four years, the company said.

Daiwa Securities of Japan is lead manager, and co-managers include Development Bank of Singapore, Morgan Grenfell, Banque Arabe et International de-Investissement, Kuhn Loeb, DBS-Daiwa Securities, Citicorp Financial and Private Investment Company for Asia.

"Permission has been granted for the issue to be treated as an approved Asian dollar bond for investment by insurance companies, pension and provident funds." Keppel said. Application has been made for listing on the Singapore Stock Exchange.

*

The amount of the Gould International 9¾ per cent. eight-year sinking fund notes has been increased to $25m. from $20m. and offered at 99½ per cent., Kidder Peabody International said as lead managers told Reuters. Meanwhile Marriott's five-year guaranteed notes issue is expected to carry a coupon of 9¾ per cent. with an issue price around par. The issue will be free of all withholding taxes. The net proceeds will be used to fund the U.S. company's Eurodollar borrowing incurred to repay upon maturity the 9¼ per cent. guaranteed notes due April 15, 1975.

*

The Copenhagen company De Forenede Bryggerier, which brews Carlsberg and Tuborg beer, is from June 12 to 17 to float an 8 per cent. Swiss loan of Sw.Frs.60m. The 15-year issue will be offered at par.

Oesterreichische Draukraftwerke Sw.Frs.60m. 8 per cent. 15-year loan will be priced at par, the issuing consortium said. The loan is being floated on the Swiss capital market from June 4 to June 9, according to Reuter.

Brazil approves first overseas funds managers

BY DAVID WHITE

RIO DE JANEIRO, June 4.

THE ENTRY of foreign capital onto Brazil's stock exchanges is expected to take place next month, with the first batch of special portfolio companies already approved by the central bank.

The mood of expectation pushed the Rio de Janeiro stock index up 41 points yesterday to 2,714, an increase of over 300 points or 12.5 per cent. in the last month.

Although the four companies registered yesterday do not include any owned by foreign banks, a number of North American groups, notably Brascan of Canada, First National City Bank of New York and the Bank of Boston, are understood to have sent in applications. The Brazilian institutions involved are BMG Corretora de Cambio e Valores, Banco Finasa de Investimentos, Unibanco and Banco Bozzano Simonsen (the latter being connected to the Finance Mister, Sr. Mario Henrique Simonsen).

Under the decree brought out last month regulating the entry of foreign capital, the portfolio companies are not allowed to control more than 10 per cent. of any company's voting stock or to invest more than 10 per cent. of their funds in any one company.

Strict rules are also imposed on access to the funds invested through the portfolio companies, which can only be withdrawn after three years at the rate of 20 per cent. every six months.

Reksten breaks his silence

By Fay Gjester

OSLO, June 4.

NORWEGIAN SHIPPING millionaire Hilmar Reksten, who until now has been unwilling to make any public statement about the financial crisis facing his shipping empire, broke his silence to-day.

In a brief Press release he said a meeting had been held yesterday at Fjosanger (Reksten's West Norwegian headquarters) with "all the more important creditors and contracting partners" of the Hilmar Reksten Shipping Company. After the meeting, which had been held at Reksten's request, "the participants agreed to inform the Press that the discussions between them will continue, and that there is a reasonable hope of reaching solutions which, in the present situation, will be satisfactory to all concerned."

Meanwhile, the problems of the many companies affected by Reksten's tanker cancellations, continue to hold the headlines here. The Aker Shipbuilding Group, which has lost six super-tanker orders as a result of Reksten's troubles, has been promised a Government guarantee for a foreign loan, a Ministry of Trade spokesman confirmed to-day.

The Oslo "Arbeiderbladet," reporting that the guarantee sought was for a loan of "very considerable size," said that Aker's commitments to suppliers and sub-contractors were larger than the Kr.234m. which Reksten owes the group, under the terms of an arbitration court settlement anounced on Monday. Thus, even if Reksten should pay up promptly—something which the paper regards as unlikely—Aker would need additional funds to meet these commitments.

Among several suppliers reportedly pressing Aker for an early settlement, "Arbeiderbladet" mentions the Swedish Alfa Laval concern and Norway's Kvaerner shipbuilding and engineering group. Mr. K. Langballe, Kvaerner's director, would not say how much money was involved, but mentioned that his group was to have supplied—among other equipment — the six turbine engines which would have powered the six cancelled tankers. "We are not prepared to wait (for this money) until the Aker group has cleared up its economic relationship with Reksten," Langballe told the paper.

Astra profits up 20%

By John Walker

STOCKHOLM, June 4.

ASTRA, the Swedish Pharmaceuticals Group, *forecast* earlier this year that the profit for the whole of 1975 would increase by 20 per cent. This forecast is supported in the company's statement to-day that the result for the 1975 January-April period showed an increase in profit of 20 per cent. compared with the sam eperiod in 1974. In addition there is a capital gain of Kr.25m. accruing from the sale of the subsidiary company, Astra Distribution, the concern states.

Sales in the first four months of this year amounted to Kr.426m. (£47m.) compared with Kr. 374m. during the same period in 1974. Sales performance so far this year supports the earlier forecast that they would rise by approximately 20 per cent. over the 1974 total of Kr.1.1bn.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Amax 8pc 1986	98½	99½	American Express 4¼pc '87	81	83
Ashland 8pc 1987	92	93	Ashland 5pc 1988	80	82
Austrasweiss 8pc 1987	90½	91½	Beatrice Foods 4¼pc 1992	92	94
BFCE 9pc 1982	93½	94½	Beatrice Foods 4½pc 1992	101	103
Borregaard 8½pc 1989	96	97	Borden 5pc 1992	90	92
Carrier 8pc 1987	90	91	Broadway Hale 4½pc 1987	75	77
Conoco 8pc 1986	96	97	Canon Camera 7¼pc 1989	93	95
Consd. Foods 7¾pc 1991	85½	86½	Carnation 4pc 1987	90	92
Cutler Hammer 8pc 1987	91½	92½	Chevron 5pc 1988	101	103
EIB 8¾pc 1985	101	102	Dart 4¾pc 1987	91	93
Esso 8pc 1986 Nov.	97½	98½	Eastman Kodak 4½pc 1988	117½	119½
General Cable 8½pc 1987	88½	89½	Economic Labs. 4½pc 1987	81	83
General Motors 8½pc 1986	101½	102½	EMI 7¾pc 1989	99	101
GTE 8½pc 1995	97½	98½	Ford 6pc 1986	82	84
ICI 7½pc 1992	78	80	Ford 5pc 1988	76	78
Nat. Grindlays 7½pc 1987	76	78	Fuji 6½pc 1985	186	
Pacific Light 8pc 1985	91½	92½	General Electric 4¼pc 1987	86	88
Prov. of Quebec 7½pc 1988	90½	91½	Gillette 4¾pc 1987	82½	84½
Quebec Hydro 8½pc 1989	99	100	Gould 5pc 1987	78	80
Queensland 9½pc 1987	99½	100½	Halliburton 4¼pc 1987	130	132
Scanraff 8½pc 1985	94½	95½	Harris 5pc 1992	88	90
Shell 8pc 1986	96½	98½	Hitachi 6¾pc 1984	108	
Standard Oil (Inc.) 8½pc '88	99½	100½	Honeywell 6pc 1986	78	80
Tenneco 7¾pc 1987	88½	89½	ITT 4½pc 1987	68	70
Transocean 8pc 1986	97	95	Komatsu 6½pc 1984	167	
TRW 8½pc 1986	95½	96½	J. Ray McDermott 4¾pc '87	139	141
Utah 8pc 1987	92½	93½	Mitsui 6¾pc 1989	132	
Volvo 9½pc 1985	99	100	J. P. Morgan 4¾pc 1987	124	126
NOTES			Motorola 4¾pc 1983	130	
Air France 9¾pc 1982	102	103	Owens Illinois 4½pc 1987	56	58
Austr. Ind. Dev. 10½pc '81	103½	104½	J. C. Penney 4½pc 1987	82½	84½
Barclays 7¾pc 1978	97	98	Pioneer 6¾pc 1989	115	117
Cie Ntl. du Rhone 10pc '82	103½	104½	Rand Selection 6½pc 1986	103	105
Du Pont 7¾pc 1978	101½	102½	Rank 4½pc 1995	43	45
Esso 7¾pc 1978	100½	101½	Revlon 4½pc 1987	102	104
General Motors 8½pc 1978	100½	101½	Sperry Rand 4¼pc 1987	99	101
Marubeni 9½pc 1982	102	103	Squibb 4½pc 1987	88	90
Nippon Fudosan 10½pc 1981	104	105	Toshiba 6½pc 1985	121	
Skand. Enskilda 10¼pc 1981	104	105	Union Carbide 4½pc 1982	108	110
Tenneco 7¾pc 1979	97	98	Warner Lambert 4½pc 1987	86	88
Tokyo Curacao 10½pc 1981	104	105	Warner Lambert 4½pc 1988	85½	87½
			Xerox 5pc 1988	79	81

Source: White Weld Securities. Source: Kidder, Peabody Securities.

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FARMING AND RAW MATERIALS

Optimism on soyameal futures

By Richard Mooney

AFTER ITS first two months of operation those involved with the London Soyabean Meal Futures market *seem fairly confident* that it has successfully established itself on the commodities scene. *Figures released* by the Grain and Feed Trade Association (GAFTA) the new market's sponsor, show that a total of 1,466 lots of 100 tonnes were traded in May, representing transactions worth over £10m. In the four weeks from the opening of the market to May 5 the number of lots traded was 2,012.

However, market sources point to the increase in the open position from 57,600 tons on May 5 to 66,900 tons at the end of May, as evidence that the market is sustaining the relatively high level of early interest. One dealer said he felt the market had been "remarkably successful" considering the extremely low level of activity in grain and feed physical markets. He said price fluctuations, while not *dramatic, had been sufficient to* maintain dealer interest in the market—the nearby August position has ranged from £66 to over £70 a tonne since the market's inception.

Groundnut oil output rise forecast

WASHINGTON, June 4.

WORLD PRODUCTION of groundnut oil this year is forecast at 3.1m. tonnes, up about 100,000 tonnes from the 1974 estimated outturn, according to the U.S. Agricultural Department's Foreign Agricultural Service (FAS), reports Reuter.

Increased groundnut production by major producer-exporters such as Senegal, Sudan, Argentina and *Nigeria* of about 225,000 tonnes oil basis, is expected to result in increased world exports of groundnut oil in 1975, the FAS said.

It forecast exports of ground *nuts and its oil in 1975 at 775,000* tonnes, oil basis, compared with about 662,000 tonnes last year.

World groundnut meal production this year is forecast at 3.8m. tonnes, about 130,000 *tonnes higher than the estimated* 1974 output.

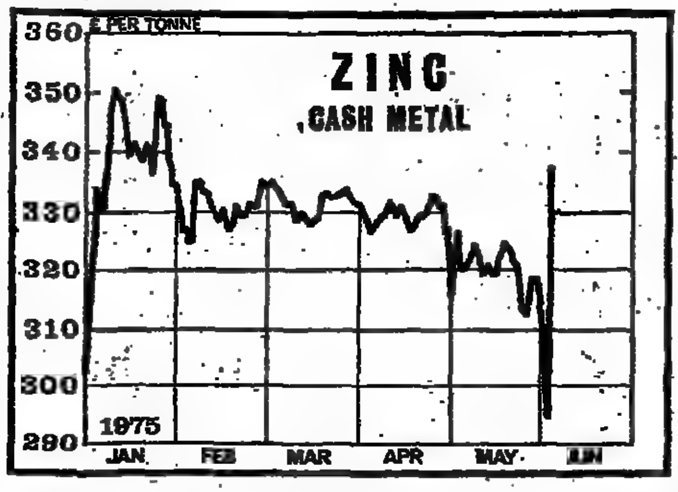
The FAS forecast exports of *groundnuts and its meal at 1.8m.* tonnes, meal basis, in 1975 compared with 1.6m. tonnes in 1974.

Dramatic recovery in London zinc market

BY PETER BULLEN

THERE WAS a dramatic recovery in the London *zinc* market yesterday. In contrast to the previous day when prices on the London *Metal Exchange* fell by up to £18.25 a tonne to their lowest level for almost two years, *heavy buying pressure for* cash zinc pushed prices up by over £40 a tonne:

Cash zinc closed at £337.5 a tonne, a rise of £42.5, while the three months quotation ended *the day £11.5 higher at £292 a* tonne.



A combination of heavy support buying on behalf of producers plus the pressure from speculators who had sold short and were seeking to cover their positions produced the swift turnround on the market. Most of the activity was seen in the *morning when the steadier pre*-market trend accelerated during trading under the *influence* of what was described as "aggressive" producer support. Later in the day cash traded up to £343 and three months up to £294 a tonne, both closing slightly lower.

The producers' actions appears *to confirm their determination to* maintain the LME price at a reasonable level in relation to the official European producer price of £360 a tonne at which the bulk of the metal is sold.

Zinc's sister metal, lead, was *largely unaffected* by the excitement. Cash lead closed at £150.75 a tonne, up £3.5 and the three months quotation at £153.875, up £3.125.

Copper had a quiet day with prices closing virtually unchanged but despite the over*night closure of the Penang* market tin prices on the LME rose with cash closing £26 higher at £3,001 a tonne—the first time it has closed above the £3,000 mark since mid-April. Three months standard tin, closed £19 higher at £3,011.5 a tonne.

From Geneva, meanwhile Reuter reported that the ad hoc committee examing the suspension of the International Tin council's (I.C.C.) buffer stock manager and his deputy met again yesterday.

Informed sources told Reuter that neither had suspended manager, Mr. Tom Adnan nor his deputy, *Mr. Jaime* Bueno has yet been invited to appear before the 14-nation committee.

No other details were disclosed but it was understood the committee's examination is still in the early stages. Tin Council executive chairman Mr. Harold W. Allen suspended the two officials on May 9 and no reasons for this action have so far been announced publicly.

Bigger tobacco crop forecast

BY OUR COMMODITIES STAFF

WORLD TOBACCO production is expected to register a *further* significant increase this year but the rise is unlikely to be as great as last year's 5 per cent. accorded to the May issue of *Tobacco Intelligence, which is* published quarterly by the Commonwealth Secretariat. Last *year's* world crop was estimated at 11.25bn. lb.

The predicted expansion is largely due to an expected 10 per cent. increase in output in the U.S.—easily the world's biggest producers accounting for nearly 18 per cent. of the 1974 crop. Higher production is also expected in Brazil, Malawi, Zambia, Rhodesia, Greece, Turkey *and Pakistan*, but declines are anticipated in Canada, Uganda, India and Japan.

The Secretariat predicts that the world-wide trend towards the growing of more light leaf of the flue-cured and burley variety will continue. U.S. flue-cured production is likely to rise by 12 per cent. or 90m. lb, following a forecast increase of 15 per cent. in the planted area, while its burley output is expected to rise *8 per cent. as a result of a 7 per* cent. increase in area.

Total world tobacco exports in *1974 are estimated to have risen* to a record 2.75bn. lb, 9 per cent. more than in 1973. Basically this reflected the more abundant supplies available last year, which allowed manufacturers to begin to replenish their stocks.

"Usage of leaf tobacco in the manufacture of tobacco products may last year have increased by around 4 per cent.," the report says. However, growth was below average in the developed countries, the total being reduced by falls of 2 per cent. in the U.S. and 1 per cent. in the U.K., *it added. In the remainder of the* EEC tobacco usage rose by about 4 per cent.

Cotton crop may fall

WASHINGTON, June 4.

WORLD COTTON production in 1975-76 is expected to be 59.1m. against an indicated record output of 63.1m. bales to be harvested this season, according to the U.S. Department of Agriculture Foreign Agricultural Service (FAS), reports Reuter.

The FAS forecast the 1975-76 U.S. crop at between 9m. and 10m. bales, based on farmers' March intentions to plant around 10m. acres. However, it said recent improved cotton prices and evidence of an upturn in textile *demand might alter* current planting reduction estimates.

Potato crop delay lifts prices

By Peter Bullen

A TEMPORARY shortage of potatoes caused mainly by the cold weather delaying the lifting of home-produced earlies is causing wholesalers concern.

The National Federation of Fruit and Potato Trades contacted the Ministry of Agriculture and the Potato Marketing Board yesterday following complaints by members in several parts of the country.

Chief executive Mr. Denis Mead said with the dwindling supply of main crop potatoes *coinciding with the delay in the* marketing of the early crop, prices had shot up in the past few days to as high as £65 and £70 a ton. Some traders were unable to get any offers of potatoes at all.

He said the trade and the Ministry and PMB were going to monitor the situation so that any action necessary could be taken quickly.

However, the Ministry said that providing the weather does not deteriorate again suddenly it expects "copious quantities" of home produced new potatoes to start coming on to the market next week.

And the PMB said that the token lifting of new potatoes in Cornwall, Pembrokeshire and other areas was already being increased. By next week some 2,000 to 3,000 tons a day should be coming on to the market to augment the remainder of the *old crop being sold and the* imported supplies of new potatoes from Cyprus, France and Jersey.

Israel food week planned

THE ISRAELI Government is to *stage another Israel food week* next January in an attempt to meet its new five year plan of doubling food exports by 1980. The Fair, the third to be staged by the Israelis, will take place between January 18 and 23 and will include, it is hoped, a wide range of new food products as well as the traditional citrus crop.

Last year Israel exported £140m.-worth of food and the aim is to increase this to £300m. by 1980. Much of the growth, it is planned, will come from processed foods and from fruits, like melons, which have only recently been introduced to Israel.

While citrus fruits are likely to form the backbone of the country's food exports for some time to come, the Israelis are anxious to lessen their dependence on what they see as the luxury market of juices and *grapefruit and increase* their production of basic fruits like tomatoes.

INDIAN JUTE

Export demand slump causing crisis

BY OUR CALCUTTA CORRESPONDENT

INDIA'S JUTE industry has been through many ups and downs in the past 25 years, but the crisis through which it is currently passing is certainly the worst it has seen during this period. Overseas demand (which absorbs about 70 per cent. of the Indian jute goods production) has fallen so low that the mills now complain of an "unprecedented glut" of unsold stocks, *and they say that the closure of* all of them for at least a month may become unavoidable soon.

Against a monthly carpetbacking production of 20,000 tonnes, the industry is selling between one-quarter and one-fifth; at times sales fell to 2,000 tonnes a month. Of the monthly hessian production of 30,000 tonnes only *half* has been *sold* since last November.

The jute mills' stocks amount to 58,000 tonnes of hessian and carpetbacking—in spite of a 43-day strike earlier this year. Production has been cut by 12.5 per cent., but stocks are still increasing by 10,000 tonnes a month.

Nullified

The recession in the U.S. is the main cause of the crisis, but the situation is worsened by competition from synthetics and by under-cutting by Bangladesh, which had been offering its goods *10* per cent. below Indian quotations even before the devaluation of the Taka.

To help its industry regain some of its competitiveness, India has abolished the carpetbacking export duty altogether, but this, the industry says, has had no appreciable effect, and whatever good effect it may have had, has been completely nullified by the Bangladesh devaluation.

India's capacity of roughly 1.2m. tonnes is nearly twice as large as Bangladesh's, and India has much longer experience, greater management skill and wider contacts in business, so its industrialists may be over-reacting. However, one must judge the industry's nervousness not by its relative productive strength vis-à-vis Bangladesh, but by the current state of international demand and the prospect of a more menacing competition from synthetics in the U.S. tufted carpet industry.

Abolish

The industry says that the world demand for jute goods is currently no more than 600,000 tonnes a year. Moreover, by its heavy devaluation, Bangladesh has managed to make its carpet-backing cheaper than synthetics, while the Indian product is even to-day 5 cents a square yard dearer, at 23 cents. In hessian, *Bangladesh's competitiveness is even stronger.*

The U.S. carpetbacking market traditionally provided about *one* quarter of the total Indian production, and more than one-third of foreign exchange earned from jute goods exports. There is no other country to fill the gap should India lose the U.S. market.

The Soviet Union has emerged as a major buyer of Indian *hessian, but it too has been* cunningly putting off its purchases expecting the Government to abolish or reduce the export duty of Rs.600 per tonne —the highest on any category of jute goods—and in any case, supplies from Bangladesh are there to meet immediate needs.

The Indian fiscal policy on jute exports has tended to be to impose duties when the market is good, but not to remove them *with the same promptness when* the market moves down. The assumption has been that there would be a sizeable market for jute goods in spite of cyclical fluctuations. That assumption is now being tested as synthetics and other substitutes become more convenient more reliably delivered, more easily handled and above all cheaper.

The industry has long pleaded *for a Government export promo*tion council just as there are for other export industries like *engineering, cotton textiles and* chemicals. Such a council could examine potential new markets, which are being lost for lack of proper research.

The industry is also anxious to see a jute community created with India and Bangladesh, but for obvious reasons Bangladesh has been cool.

Jute is practically the only exporting industry Bangladesh has, while India has a fairly wide *and diversified export structure.* In the circumstances, Bangladesh cannot enthusiastically respond to an arrangement by which its share of the market will be automatically limited.

Competitive

Had Bangladesh been convinced that equal benefits should accrue from a jute community it might not have resorted to the devaluation which is practically *meant to boost jute exports in* competition with India.

The Indian industry can survive by competing with both Bangladesh and synthetics on the right terms, that is by offering its goods at more competitive prices. But Delhi appears afraid of offending Bangladesh, and shrinks away at suggestions of the total abolition of export duty on jute goods. In private, though, senior ministers admit that the *jute industry* needs prompt and generous help to tide it over.

Peruvians claim good fishmeal sales

WASHINGTON, June 4.

PURCHASE ORDERS for Peruvian fish meal are keeping up well with production, according to sources here with good Peruvian connections, reports Reuter.

As well as big forward shipment sales *to traditional outlets* — including more than 170,000 tonnes to West Germany and *more* than 100,000 tonnes to East Germany — moderate-sized amounts were sold in recent weeks to several East European countries.

The most recent sale involved 37,000 tonnes to Poland for shipment between *late* June and September. Earlier sales included 10,000 tonnes each to the USSR *and Bulgaria, 16,000 tonnes to* Romania, and 5,000 tonnes to Yugoslavia. Another 20,000 tonnes was sold recently to Cuba.

The sources said most sales fetched prices between $210 and $230 a tonne cost and freight. But in some of the most recent business prices rose to $240 and *sales* below this are *now* being resisted.

Meanwhile, anchovy fishing *continues on the experimental* basis introduced in Peruvian waters after the initial, full-scale commercial fishing season—which began March 10—ended on May 15.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Marked time on the London Metal Exchange with prices moving within a narrow range all day. Business comprised the normal day-to-day hedging. Turnover 17,700 tonnes.

Amalgamated Metal Group reported that in the morning cash wirebars traded at [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	531-2	—.25	530.5-1	+0.25
3 months	551.5-2.5	+.25	550.5-1.5	+.25
Settlem'nt	532	—	—	—
Cathodes				
Cash	520-1	—.25	520.5-1.5	—.25
3 months	540-.5	—1	540.5-1.5	+.25
Settlem'nt	521	—	—	—
U.S. Smt.	—	—	*65.70	—

Morning: wirebars, cash, £530, 34, 32, 31.5, 32, 31.5. Three months, £552, 53, 53.5, 54, 53.5, 53, 52.5, 52. Cathodes, cash, untraded. Three months, £541, 40.5. Kerbs: bars, cash £531. Three months, £551.5, 51, 50. Cathodes, untraded. Afternoon: wirebars, cash, £531. Three months £552, 51.5, 51. Cathodes, cash, £521.5.

TIN—*Moved higher* with the accent on cash metal. The resultant narrowing in the [illegible] touched [illegible] short-covering. Business was dampened to some extent by the closure of the Eastern market. Turnover 715 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	2990-2	+25.5	3000-2	+28
3 months	3003-10	+9	3011-5	+18.5
S'ment	2992	+22	—	—
Standard				
Cash	2990-2	+26	3000-2	+28
3 months	3003-5	+13	3011-2	+19
S'ment	2992	+26	—	—
Straits E.	[illegible]	—	—	—
New York	—	—	336	—

Morning: Standard: cash, £2,995, 98, 95, 98. Three months, £3,005, £3,007, £3,008. High grade: Untraded. Kerbs: Standard: Three months, £3,003. High grade: Untraded. Afternoon: Standard: cash, untraded. Three months, £3,003, £3,005, £3,010, £3,012, £3,010, £3,011. High grade: all untraded. Kerbs: Standard: Three months, £3,011, 12. High grade untraded.

LEAD—*Firmer* during a quiet day's trading which included some short-covering. Turnover 6,775 tonnes.

Morning: cash, £150. Three months, £152, 52.5, 53, 53.5. Kerbs: Three months, £153.5. Afternoon: cash, £151. Three months, £153.5, 54, 53.75, 53.5, 53.75. Kerbs: Three months, £154.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	150.5-1	[illegible]	150.5-1	+3.5
3 months	153.5-4	+4	153.75-154	+3⅛
S'ment	151	+5	—	—
N.Y. Spot	—	—	[illegible]	—

ZINC—Cash metal soared under a massive amount of influential support which caused some hasty short-covering. Prices closed at the highest for the day with cash trading at £340 on the afternoon kerb. Three months showed a sympathetic improvement, but the backwardation widened by some £31. Turnover 9,173 tonnes.

Morning: cash, £315, 17, 20, 23, 24, 25, 30, 31. Three months, £292, 93. Kerbs: Three months, £295, 94, 93, early June, £320. Afternoon: cash, £340, 43, 40, late June, £318, £320. Three months, £294, 93.5, 93, 94, 92. Kerbs: cash, £340, early June, £325. Three months, £293.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	331-3	+25.5	335-40	+42.5
3 months	291-2	+1	291.5-2.5	+11.5
S'ment	333	+24	—	—
Prm. West	—	—	*38½-9	—

* Cents per pound. † On previous unofficial close. $ $M per picul.

SILVER

Silver was fixed 0.3p an ounce higher for spot delivery in the London bullion market, at 192.4p. U.S. cent equivalents of the fixing prices were: spot 445.5c., up 0.2c.; three-months 453.6c., unchanged; six-month 460.8c., up 0.3c.; and 12-month 477.5c., up 0.7c. A fairly good turnover was seen. The spot price opened at 192.2-193.7p (446-448c.), and rose to 193.0-194.5p (449-451c.) in the morning, but touched 189.4-190.9p (440-443c.) in the afternoon, before ending at 190.0-191.5p (440.5-443.5c.), against the previous 190.5-193.0p (444.5-447.5c.).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	192.4p	+0.3	191.4p	—1.0
3 months	197.7p	+0.2	196.95p	—1.9
6 months	203.4p	+0.3	—	—
7 months	—	—	204.5p	—1.1
12 months	215.9p	+0.3	—	—

LME—Turnover 146 (150) lots of 10,000 ozs. Morning: Three months 198.2, 98.1, 98.0, 97.8, 97.7, 97.5, 97.3, 97.2, 97.0. Kerbs: Three months 195.8. Afternoon: Three months 196, 96.5, 95.6, 95.8. Kerbs: three months 195.8, 95.0.

COCOA

Conditions were generally quiet with values showing little change on the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.4 Contract			
July	460.0-61.0	—1.5	466.0-57.0
September	456.0-456.8	—2.5	462.0-52.0
December	474.5-75.0	—3.0	480.0-72.0
March	481.0-81.5	—3.5	486.0-80.0
May	483.0-85.5	—2.5	488.0-83.0
July	488.0-90.5	—0.5	489.0-88.0
September	491.0-93.5	—0.5	—

Sales: 1,681 (2,837) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 48.27 (48.55) U.S. cents per pound; indicator 15-day average 48.81 (49.06), 22-day average 47.36 (47.97).

FREIGHTS

OIL TANKERS—In the doldrums again with no important activity. Esso was again open for a supertanker of over 200,000 tons for 12 months' timecharter, for fairly prompt loading and presumably at the rate it fixed recently of Worldscale 36. There is also more inquiry for tankers for storage purposes in the Persian Gulf, a further indication of the depressed state of the tanker industry.

DRY CARGO—There was considerable *improvement in the volume of grain* chartering although rates generally showed little change. Grain shippers provided the bulk of employment and covered cargoes from the U.S. Gulf to the Netherlands at $5.35 f.i.o. for June and from the U.S. Gulf to Japan at $9 f.i.o. for July/Aug. also from the same loading area Piraeus at $9.65 f.i.o. for June.

Other grain bookings included Brazil Black Sea at $13.50 f.i.o. June/July. Grain tonnage was also booked U.S. Gulf Venezuela at $8 f.i.o. June, Port Cartier Rotterdam at $3 f.i.o. June and Great Lakes Alexandria at $17 f.i.o. completing St. Lawrence $10 free discharge for June. Overnight a cargo of coal was covered Hampton Roads Amagasaki at $7.75 free discharge for mid-June and a cargo of ore Tubarao Weser at $3 f.i.o. June.

COFFEE

Robusta futures recorded further gains during the afternoon with dealer buying and covering and fresh speculative interest fuelling the rise. Reports from Angola of outbreaks of fighting among local political factions caused additional nervousness. At the close prices were *£12.5 to £8.5 higher on balance.*

Arabicas finished 105 to 180 points higher on balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	482.5-83.0	+12.50	483.0-52.0
September	455.0-56.0	+11.75	455.0-46.0
November	449.0-49.5	+11.00	449.5-38.5
January	448.5-49.0	+10.25	448.0-38.0
March	450.0-51.0	+9.25	[illegible]
May	453.0-55.0	+8.5	454.5-46.5
July	457.5-60.0	+10.5	457.5-49.5

Sales: 2,187 (1,388) lots of 5 tonnes.

Latest published ICO indicator prices, U.S. cents per pound. Colombian Mild Arabicas 69.00 (68.00). Other Mild Arabicas 54.13 (53.75). Unwashed Arabicas Santos Fours 78.00 (same). Robustas 48.69 (48.25). Daily average 62.73 (62.38).

ARABICA CONTRACT (in order, buyer, seller, sales)—June 64.00-65.00, 65.00, 2; Aug. 64.00-65.30, 65.20-65.00, 8; Oct. 64.60-65.00, nil; Dec. 65.40-66.30, 65.30-64.60, 5; Feb. 65.30-67.00, nil; April 66.00-67.50, nil; June 66.00-68.00, 68.00-65.30, 2. Sales: 19 (23).

RUBBER

UNCERTAIN opening on the London physical market. Little interest throughout day, closing quiet. Lewis and Peat reported a godown price of 120 Malaysian cents a kilo (buyer June).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
July	29.35-30.00	29.70-29.90	—
Aug.	29.85-30.10	29.80-29.90	—
Jly-Sep.	29.85-30.00	29.80-29.90	[illegible]
Oct.-Dec.	31.05-31.10	30.90-31.20	31.10
Jan.-Mar.	32.35-32.40	32.30-32.40	32.50-32.35
Ap-Jun	33.35-33.40	33.25-33.40	33.40-33.35
Jly-Sept	33.90-34.00	33.90-34.00	—
Oct-Dec	34.50-34.55	34.50-34.55	34.55-34.50
Jan-Mar	35.00-35.05	35.00-35.05	—

Sales: 49 (119) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 27.50p (same); July 27.25p (27.25p); Aug. 27.75p (27.50p).

SOYABEAN MEAL

	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
August	69.7-69.8	+0.85	69.7-69.5
October	69.9-70.0	+0.6	70.0-69.8
December	70.7-70.8	+0.5	70.9-70.7
February	72.3-72.4	+0.5	72.5-72.4
May	74.1-74.5	—	—
August	76.0-76.4	—0.5	76.5
October	77.0-77.5	—	—

Sales: 44 (37) lots of 100 tonnes.

GRAINS

THE BALTIC—Optional corn attracted a moderate buying inquiry for June-July transhipment to various U.K. ports but there was a fair gap between buyers' and sellers' price ideas. Among milling wheats, U.S. Northern Spring was easier while Hard Winters showed a dearer tendency.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent., June £77.00, July £75.15 August £76.60 direct Tilbury. U.S. Hard Winter No. 2, 13½ per cent., July £62.00, August £62.40 direct Tilbury. EEC Milling French feed June £51.00, July £51.50 South Coast.

Maize—No. 3 Yellow American/French June £51.00, July £51.25 transhipment West Coast. South African White Dent August £59.00, Glasgow. South African Yellow Flint August £58.50, Glasgow.

Barley—EEC Feed June £50.25, July £51.25, transhipment East Coast. All sellers. Rest unquoted.

MARK LANE—Hagberg milling wheat met a fairly active offtake in London at steady prices with June delivery changing hands at £51.50 and July £53.75 per long ton. In addition, new crop wheat traded at £60.75 for Sept.-Dec. delivery, at £62.25 for Oct.-Dec., at £63.25 for Oct-April and at £64 for Jan.-March. Limited business in Liverpool included Sept.-Dec. delivery at £62.25. Denaturable quality wheat met a limited offtake in East Anglia at £50.75 for June. Scattered business in feed barley included Sept.-Dec. delivery in Norfolk at £56 and in Avonmouth at £58.50. The following are average sellers quotations per long ton delivered London area. Wheat—Milling Hagberg June £52; denaturable June £51.25. Barley—Feed June £52.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: Sept. £55.30, Nov. £57.00, Jan. £59.70, March £61.70, May £63.25. Business: Sept. £55.30-£54.95, Nov. £57.60-£57.50, Jan. £59.85-£59.60, March nil, May £63.45. Barley—Steady. Close: Sept. £53.30, Nov. £55.35, Jan. £57.35, March £59.15, May £60.50. Business: Sept. £53.45-£53.05, Nov. £55.35-£55.10, Jan. £57.50-£57.20, March nil, May £60.75-£60.50.

HGCA—Location ex-farm spot prices: Soft milling wheat—Banbury £50.00, Chichester £50.00. Feeding barley—Banbury £48.40, Ormskirk £49.85.

EEC DAILY IMPORT LEVIES effective for June 5 (in order, current levy plus July, Aug. and Sept. premiums, with previous in brackets. Rates in units of account per tonne): Soft wheat and mixed wheat and rye: 51.32, rest 1.97 (51.32, rest 4.14); Hard wheat: 26.28, 1.44, 1.44, 4.09 (24.57, 1.44, 1.44, 5.72); Rye: 52.00, 8.72, 8.72, nil (all same); Barley: 34.49, rest nil (all same); Oats: 38.39, rest nil (30.47, rest nil); Maize (other than hybrid for seeding): 33.34, nil, nil, 1.00 (33.34, 1.26, 1.26, 2.71); Buckwheat: 10.37, rest nil (14.61, rest nil); Millet: all nil; Grain sorghum: 41.26, rest 2.89 (41.26, rest 2.71). The following flours: Wheat or mixed wheat and rye: 91.95 (same); Rye: 92.58 (same).

SUGAR

LONDON DAILY PRICE—Higher, at £158 (£155) a ton c.i.f. for June-July shipment.

Initial buy at best orders kept the market supported, but once these buyers had been satisfied prices began to drift, C. Czarnikow reports. Some 500 points were lost before the market consolidated and rallied to the higher levels. Prices closed the day 200 points below the highs.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	155.50-55.85	157.75-58.00	158.50-52.00
Oct.	150.85-51.00	152.50-53.00	155.50-48.00
Dec.	149.55-50.00	152.00-52.40	152.00-47.50
March	146.00-46.40	148.05-48.40	148.00-44.00
May	144.50-45.00	148.0-47.00	148.50-43.50
Aug.	144.50-45.00	147.00-48.00	146.00-45.00
Oct.	144.25-45.00	147.50-48.00	146.50-46.00

Sales: 1,822 (4,275) lots of 50 tonnes each.

Tate and Lyle ex-refinery price for granulated basis white sugar was £261.30 (same) a long ton for home trade and £261 (£258) a long ton for export.

EEC DAILY EXPORT LEVIES effective for June 5 in units of account per 100 kilos with previous in brackets: White 5.00 (5.00); raw denatured 3.00 (3.00); non-denatured 3.00 (2.30).

WOOL FUTURES

LONDON—Market about unchanged to slightly higher in dull and featureless session, reports Bache.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
July	161.0-66.0	+1.0	—
October	165.0-69.0	+1.0	—
December	167.0-69.0	+0.5	168.0
March	171.0-75.0	+0.5	—
May	175.0-79.0	+1.0	—
July	177.0-80.0	+1.5	—
October	179.0-84.0	+2.5	—
December	180.0-86.0	+2.0	—

Sales: One (34) lot of 1,500 kilos.

SYDNEY GREASY—(In order: close, high-low): July 245.5-246.0, 245.8-245.5; Oct. 249.5-250.0, 251.0-249.5; Dec. 254.2-254.5, 254.7-253.5; March 256.0-256.5, 256.5-255.0; May 257.0-258.0, 258.5-257.0; July 259.0-260.0, 260.0-258.5; Oct. 259.5-260.0, [illegible]; Dec. 260.0-261.0, 260.0-259.0. Sales: 514.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 35.0 to 37.0; English hindquarters (inc. some heavy) 44.0 to 46.0, forequarters 24.0 to 26.0; Ulster hindquarters 43.0 to 45.0, forequarters 23.0 to 26.0; Eire hindquarters 43.0 to 45.0, forequarters 22.0 to 24.0.

Veal: English bobbies 15.0 to 16.0; Scottish bobbies 14.0 to 15.0.

Lamb: English small 36.0 to 42.0, special quality 44.0, medium 36.0 to 39.0, heavy 34.0 to 38.0; Imported frozen: New Zealand D's 30.0 to 31.0, 2's 30.0 to 30.5, 3's 28.0 to 28.5, YL's 28.5 to 29.0; Australian Blue D's 30.0 to 31.0.

Hoggets: English 20.0 to 28.0; Scottish 20.0 to 28.0.

Ewes: 10.0 to 11.5.

Pork: English, under 100 lbs 29.0 to 35.0, 100-120 lbs 29.0 to 34.0, 120-160 lbs 29.0 to 33.0, 160-180 lbs 26.0 to 28.0, 180 lbs and over 26.0 to 26.5.

MEAT COMMISSION—Average fatstock prices at representative markets on June 4: U.K.—Cattle £22.38 per live cwt (+0.07); sheep 39.3p per pound e.d.c.w. (—1.3); pigs £4.59 per sc.l.w. (+0.04). England and Wales—Cattle numbers up 5.7 per cent., average price £22.54 (—0.21); sheep down 13.6, 38.7p (—1.7); pigs up 3.4, £4.50 (+0.04). Scotland—Cattle up 9.9, £22.71 (+0.47); sheep down 28.2, 35.3p (+2.3); pigs nil.

COVENT GARDEN (prices in sterling)—Imported produce: Oranges—Jaffa: Valencia Later 2.80-3.50; Californian: 2.30-3.80; Cyprus: 2.70-3.50; South African: 2.70-3.00. Grapefruit—Jaffa: 40 2.80, 48 2.90, 56 2.90, 64 2.90, 75 2.90, 88 2.90; Florida: Red Blush 3.80; South African: 32/64 2.15-2.40. Lemons—Italian: 2.90-3.20; South African: 3.00-3.50. Apples—South African: Starking Delicious 4.40-4.60, Golden Delicious 4.00-4.90, White Winter Pearmain 4.30-4.50, Granny Smith 4.50-5.20; New Zealand: Sturmer Pippin 4.50, Cox's Orange Pippin 6.80; Tasmanian: Jonathans 5.00, Golden Delicious 4.60; French: Cartons Golden Delicious 20-lb 2.15-2.25; Tyrolean: Per 40-lb Rome Beauty 4.00, Golden Delicious 4.30, Starking 4.30; Western Australia: Granny Smith 5.00. Pears—Tasmanian: Per 40-lb Packham's Triumph 5.30-5.50; South African: Packham's Triumph, Cases 5.50, Winter Nelis Cases 4.80; Victorian: Josephines 5.30-5.50. Bananas—Windward *Islands*: Per 28-lb 3.00; *Jamaican*: 3.00. Grapes—South African: Barlinka 2.50, Almeria 2.70. Cherries—French: Per pound 0.30-0.35. Apricots—Spanish: Per 11-lb 1.50-2.00. Peaches—Spanish: Trays Du to Bs 1.00-2.00; Italian: 1½-Tray 2.00-2.50. Tomatoes—Dutch: 3.00; Jersey: 3.30; Guernsey: 2.90-3.20. Carrots—French: Nantes 28-lb 2.80; Dutch: 22-lb 2.50; Cyprus: 2.60-2.70. Courgettes—Kenyan: Box 6-lb 2.00; Cyprus: 2.00. Potatoes—Majorca: Per 56-lb 4.40-4.60; Egyptian: 3.70; Italian: 4.00-4.20; Jersey: Per pound 0.08½-0.09; French: Per 56-lb 3.30-4.40; Cyprus: 3.80. Onions—Chilean: Cases 3.80; Spanish: 2.50-2.80; New Zealand: 4.80; Israeli: 3.50; Dutch: 2.80.

English produce: Cauliflowers—Per 12 2.40-2.50. Mushrooms—Per pound 0.25-0.30. Spring greens—Per bag 1.00-1.20. Onions—Per 56-lb 2.20-2.80. Apples—Per 30-lb Bramley's 3.30-3.80. Lettuce—Per 12 round 1.40, cos 1.40. Potatoes—Per 56-lb white 1.35, red 1.70, Cornish, per pound 0.08½. Cucumbers—Per tray 12 1.40, 14 1.50, 18 1.50, 28 1.30. Swedes—Per 28-lb 1.00-1.20. Tomatoes—Per 12-lb 2.80-3.00.

JUTE

DUNDEE—Easier. Prices c. and f. U.K. for June-July shipment BWB £201, BWC £194, BWD £187. Tossa: BTB £203, BTC £196, and BTD £189. Calcutta goods firmer. Quotations c. and f. U.K. for June shipment 10-oz 40-inch £7.77, 7½-oz £5.86 per 100 yards, July £7.80 and £5.86, Aug.-Sept. £7.99 and £6.03. B twills £22.94, £22.61 and £22.46 for the respective shipment periods. Yarns and cloth very quiet.

LONDON—Quiet, Bangladesh White "C" grade June-July 200. "D" grade June-July 193. A long ton.

CALCUTTA—Steady. Indian June Rs.465. Dundee Daisee June Rs.465 values. A bale of 400 lbs.

*

LIVERPOOL COTTON—Spot and shipment sales amounted to 322 tonnes bringing the total for the week so far to 1,323 tonnes, F. W. Tattersall reports. Miscellaneous purchases in a variety of growths were recorded mostly on Middle Eastern and African account. Colombian and other Latin American styles made moderate progress.

*

COPRA—Philippines: June to Aug. 220, Sept. 222½ resellers per tonne c.i.f. North European ports.

*

HIDES—London. Slightly easier. Second clear ox 31-35.5 kilos withdrawn 21.8p per kilo; 26-30.5 kilos withdrawn 20.1; 22-25.5 kilos withdrawn 22.1p. Light cows withdrawn 20.1. No calf offered.

PRICE CHANGES

Prices per ton unless otherwise stated.

	June 4 1975	+ or —	Month ago
Metals			
Aluminium (a)	£396	—	£378.6
Free market cif.	£285-295	+5	£265-285
Copper §			
Cash Wire Bars(z)	£530.75	+0.25	£535.25
3 month do. do.(z)	£551	+0.25	£551.75
Cash Cathode (z)	£521	—0.25	£522.5
3 months do. (z)	£541	+0.25	£541
Gold Troy oz.	$164.5	—0.75	$164
Lead Cash (z)	£150.75	+3.5	£166.25
3 months (z)	£153.875	+3.125	£165.25
Nickel (z)	£1,917	—	£1,880
Free market cif (lb)	$1.75-1.8	—	$1.70-1.8
Platinum(b)troy oz.	£67-71.5	—	£67-71.5
Free Market	£64-66	+0.25	£62½-64½
Quicksilver(76lb)(z)	$132-137	—	$137-145
Silver Troy oz.	192.4p	+0.3	186.5p
3 months	197.7p	+0.2	191.7p
Tin Cash (z) §	£3,001	+26	£2,985
3 months (z)	£3,011.5	+19	£2,988
Wolfram 22.04lb.cif	$40-42	—	$41½-43½
Zinc Cash(z)§	£337.5	+42.5	£320
3 months(z)	£292	+11.5	[illegible]
Producers (z)	£360	—	£360
Oils			
Coconut Malayan	£175	—	‡
Groundnut			
5%	‡	—	£385
Linseed Crude (z)	£450	—	‡
Palm Malayan (z)	‡	—	£183
Soyabean (u)	‡	—	‡
Seeds			
Copra Philipp ton	$220	—5	$270
G'ndnt Nigerian	‡		
Linseed Can. No. 1	£150w	+4	£164.7
Grains			
Barley EEC	£50.25	—	£49.75
Home Futures	£53.3x	+0.25	£49.05
Maize			
French No.3 Am.	£51	—2.5	£51.0
S.A. Yellow Flint	£58.5x	—	‡
Wheat			
No. 1 Red Spring	‡	—	‡
No.2 HardWinter	£62v	—3.75	£65.5
Australian (f.a.q.)	‡	—	‡
English Milling	£52	—	£51.5
Cocoa Shipment (z)	£550	—1.5	£505
futures Sept. (z)	£456.25	—2.5	£499.5
Coffee Shipment (z)	‡		
futures Sept.(U lb)	£455.5	+11.75	£395.5
Cotton 'A' Index cent	54.1	—0.1	54.05
Jute LJABWC (d)	‡	—	£244
Rubber kilo	27.50p	—	26.0p
Sisal MAAE (z)	$600	—	$650
Sugar	£158	+3	£180
Wooltops 64s kilo	195p	—	189p
Cloves (Madagascar)	$2,350	—	$2,350
Pepper White ton	£820	—	£840
Black ton	£615	—	£675

* Nominal. † Seller. § Unofficial close. ♦ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. o Seller's quotation. h August. k June. z Metric tons. r July. p June-July. s July-Aug. t Sept. q Aug.-Sept. w Nov.-Jan.

FINANCIAL TIMES

June 4	June 3	Month ago	Year ago
152.87	151.74	159.92	211.69

(Base: July 1, 1952=100)

REUTER'S

June 4	June 3	Month ago	Year ago
1065.9	1060.9	1063.9	1308.6

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	June 4	June 3	Month ago	Year ago
Spot	268.71	263.96	278.35	333.28
Futures	246.71	245.81	257.81	293.15

(Average 1924-25-26=100)

MOODY'S

Moody's	June 4	June 3	Month ago	Year ago
Spie Comm'ty	707.4	707.7	727.9	781.4

(Dec. 31, 1931=100)

GRIMSBY FISH—Supply fair, demand good. Prices per stone at ship's side, unprocessed. Shelf cod £1.80-£2.20; Codlings £1.50; Large Shelf haddocks £2.00-£2.40; Medium £2.10-£2.20; Large plaice £3.40-£4.00; Skinned dogfish £6.00, medium £5.00; Coalfish 80p; Rockfish £1.60; Lemon soles £3.40; Reds £1.00-£1.10.

U.S. Markets

Mixed sales in cocoa market

NEW YORK, June 4.

BOTH silver and copper closed lower on Commission House selling in featureless trading. Cocoa advanced in the nearby positions as the July premium continued to widen. The balance of the market attracted mixed selling. Sugar declined on Trade House selling. Chicago grains finished mixed to higher on continued Commission House short-covering, Bache reports.

Cocoa—Ghana spot 63 (same). Bahia spot 54 (same). July 46.30 (46.00). Sept. 43.95 (44.00), Dec. 43.90, March 44.50, May 44.75. July 45.20, Sept. nil. Sales: 1,403.

Coffee—Spot Santos No. 4 unquoted (unquoted). Colombian Mams unquoted (unquoted). "C" Contract: July 55.50 (54.70), Sept. 56.50 (56.15), Nov. 57.40 bid, Dec. 57.60-57.75 asked, March 58.00-58.10 asked, May 56.40-56.75 asked. Sales: 490.

Copper—June 53.50 (54.40), July 54.20 (54.80), Aug. 54.70, Sept. 55.30, Dec. 57.00, Jan. 57.30, March 58.50, May 59.50, July 60.50. Sales: 855.

Cotton—July 43.97 (45.63), Oct. 45.13 (44.90), Dec. 45.55-45.95, March 46.75-46.83 asked, May 47.30-47.35 asked, July 48.00 bid, Oct. 48.33 bid. Sales: 1,150.

‡Gold—June 164.20 (165.60), July 165.00 (166.50), Aug. 165.90, Oct. 168.10, Dec. 170.40, Feb. 172.70, April 174.90, June 177.10, Aug. 179.30, Oct. 181.50. Sales: 1,394.

Greasewool—Spot 134.0 nom. (same), July 132.5-137.5 asked (132.5), Oct. 133.0-135.5 asked (134.5), Dec. 135.0-142.0 asked, March 135.0-142.0 asked, May 135.0-145.0 asked, July 135.0 bid. Oct. 135.0 bid.

†Lard—Chicago loose 23½ asked (24 asked). NY drummed 29¼ nom. (30¼ nom.).

††Maize—July 273-273½ (273½), Sept. 252¼-252½ (251½), Dec. 238½-239, March 243½-244, May 247.

‡Platinum—July 150.20 (149.20), Oct. 153.20 (152.60), Jan. 156.60, April 159.50-159.70 asked, July 162.70-162.90 asked, Oct. 166.00. Sales: 76.

‡‡Silver—Spot 439.00 (445.00). June 439.00 (444.40), July 441.30 (447.20), Aug. 444.70, Sept. 447.90, Dec. 457.60, Jan. 460.30, March 466.80, May 473.00, July 479.10, Sept. 485.10. Sales: 8,112.

*Soyabeans—July 505½-504 (500½), Aug. 495½-495 (491½), Sept. 487-488, Nov. 487-486, Jan. 495-493½, March 501, May 508, July 514, Aug. 515.

bSoyabean Meal—July 120.70-120.80 (120.50), Aug. 121.50 (120.60), Sept. 122.50-123.00 asked, Oct. 124.00, Dec. 126.30-126.50, Jan. 128.00, March 132.20-132.00 asked.

Soyabean Oil—July 21.95-21.90 (21.73), Aug. 20.90-20.75 (20.70), Sept. 20.10-20.00, Oct. 19.40, Dec. 18.50-18.55, Jan. 18.35, March 18.10, May 17.75-17.90, July 17.60, Aug. 17.35-17.50 asked.

Sugar—Spot 15.25 (same). July 15.10-15.14 (15.12), Sept. 14.65-14.60 (14.75), Oct. 14.45-14.40, Jan. 13.75 nom., March 13.75, May 13.50, July 13.35 bid, Sept. 13.15-13.19, Oct. 13.11. Sales: 2,502.

Tin—318.00-325.00 nom. (same).

**Wheat—July 301-300 (300½), Sept. 309-306 (305½), Dec. 316½-316, March 324½, May 327-327½.

WINNIPEG, June 4. ††Rye—July 218 (219), Oct. 211½ asked (210½ bid), Dec. 207½ bid.

cOats—July 162½ (160½), Oct. 149½ bid (147½ bid), Dec. 149½ bid.

§Barley—July 232 (230½), Oct. 209 asked (205 asked), Dec. 205½ nom.

dFlaxseed—July 780 bid (780 bid), Oct. 780 bid (780 bid), Nov. 712½ asked, Dec. 695 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 476½ (476½).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. †Chicago loose $'s per 100 lbs — Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. NY. ‡Cents per troy ounce ex-warehouse. b New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.5 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

BOOKS

In and out of the wilderness BY C. P. SNOW

Winston S. Churchill: Volume IV 1917-22 by Martin Gilbert. Heinemann, £9.45, 967 pages

Life with Lloyd George by A. J. Sylvester. Edited with an introduction by Colin Cross. Macmillan, £7.50, 351 pages

The new instalment of the official Churchill biography covers an eventful period—the end of the First War, the Russian Revolution and the Wars of Intervention, the attempt to settle Ireland, the collapse of the coalition — and Mr. Gilbert has executed it with his consummate proficiency.

It is possible that, unless this country interests people next century more than now seems likely, the whole biography will seem excessively long. Churchill's practice of committing to paper everything he did, decided or even suggested, makes for an enormous mass of material: but written material, so comforting to historians, hasn't quite the sacrosanct quality that they tend to confer upon it, as anyone who has had a tiny part in official business wistfully knows.

The Churchill papers in this volume give some evidence, of course, about the writer's personality, but by this time we are already familiar with that, and it would be surprising if there is any startling or novel insight in the later volumes.

In 1917 Lloyd George rescued Churchill from the political desert, and, taking a personal risk (to most Tories, Churchill was, and remained until 1940, the most distrusted man in the country), made him Minister of Munitions. He was a very good one. He hadn't a quantitative mind, but he was obsessive, energetic as ever, and here, as all through his career, proved a first-class executive. He also proved, if it needed proving, that listening to others' predictions was not his favourite exercise. What he was doing with his own hand was all important.

He proposed to go on accumulating gigantic stores of munitions for the campaign of 1919 when, by midsummer 1918, the soldiers believed that they could finish the war that year. That was pure Churchill. Oblivious to others', egocentric, bees in bonnet (he already believed passionately in bombing German towns, which in 1918 was military nonsense)—his character was formed early and didn't change. But he made the munitions, and was the indomitable and closest support of Lloyd George in the most sombre days of March to June, 1918.

The relation of those two is of considerable interest. Lloyd George indulged Churchill as he did no one else. He genuinely liked him, and felt a curious half-mocking respect. In some ways they complemented each other. Lloyd George was imaginative about the world and society, but not specially inventive. Churchill was not imaginative about society (all his life he wanted nothing more than for the world he knew to persist, though in a more decent and kindly shape), but extremely inventive. Lloyd George's ambitions, by the end of the war, were sated. Churchill's were insatiable, and there was a rift in 1921 when Lloyd George didn't give him the job he was least fitted for, that of Chancellor of the Exchequer.

Still, Lloyd George did give him a remarkably free hand. As soon as the Russian Revolution happened Churchill conducted something very like an independent foreign policy. From the start, Lloyd George, and most men of detachment, thought it probable that the revolution had come to stay and that the sensible thing was to live with it. Churchill with passionate intensity thought it should be put down by force, and that that would be quite easy.

His memoranda have to be read to be believed. To other intimates, Lloyd George said that Churchill must be going off his head. In the Churchill documents, non-Bolsheviks are the only Russians, and he always calls them Russians *tout court*. Bolsheviks become Jewish Commissars: Churchill was civilised in a Whiggish manner about racial matters, but in this period he takes on the distasteful tone of Chestertonian England. He had unqualified faith in a succession of unlikely military heroes, Kolchak, Yudenich, Denikin. He kept telling Lloyd George that total victory by Denikin, whom he venerated most of all, was only a fortnight, a week, away. Lloyd George didn't believe a word of it.

All this, of course, was preserved in the elephantine memories of Russians, and wasn't helpful twenty years later. Most Prime Ministers would have felt obliged to dispense with Churchill when he deliberately interfered in foreign policy. He broke nearly all the rules. Even his concept of personal loyalty was a curious one. Lloyd George was long-suffering. This turned out valuable, for both he and Churchill were at their best over Ireland, and Lloyd George had someone at hand to take the responsibility. Churchill was not only at his best in Parliament, but also with the Irish—patient (and he could be patient), human, as usual responding to bravery when he met it, and ready to sympathise with men as obstinate as himself. To-day we don't need to be told that he didn't find a solution: for the good and simple reason that there wasn't a solution to be found.

After the coalition fell, which was foredoomed anyway, but a bit accelerated by Lloyd George's lapse of judgment, an inexplicable and untypical lapse, about Greece, Churchill was stranded in the political desert again. There this volume leaves him, ready to cross the House once more and add to his reputation for being just an adventurer in search of office.

A. J. Sylvester was Lloyd George's principal private secretary—though Frances Stevenson was his most confidential one—for many years and also, by a providential chance, an admirable diarist. This is a record of the declining years, from 1931 until Lloyd George's death in 1945, and one wishes there existed something similar for all great men. Lloyd George was a great man, whatever that phrase means and whatever his flaws. He was also an exceptionally interesting and complicated one.

Churchill's psychic structure seems to have been fairly simple, as those of egocentric personalities tend to be. Lloyd George's wasn't at all simple. He was capable of being as callously selfish as Churchill, or more so, but he wasn't egocentric: and a nature which is selfish but not self-bound takes a good deal of coping with. As Frances Stevenson had to realise.

Mr. Sylvester is not always fair to Frances Stevenson, and raises one or two suspicions which are unjustified. His diary cleaves much more closely to the surviving tradition in the Lloyd George family. In effect, this is a useful corrective, and with a few sceptical footnotes, and some not over-prudish explanations, the Slyvester diary would be about as faithful an account as we shall get. Strongly recommended.

Lloyd George and Churchill: fresh light on their relations is shed in two new books

Soldier for hire BY RICHARD JOHNS

Arabian Assignment, by David Smiley. Leo Cooper. £6.75, 248 pages.

In passing deference to the "odium" attached to the word mercenary in recent years Colonel David Smiley quotes the OUD definition of "a hired soldier in foreign service" and points out that by this criteria the Gurkhas, General Gordon and Glubb Pasha would answer to such a description. For his part he was "very happy to be in such company" as commander of the small Saudi-financed team which assisted—with advice and training—the rag-bag Royalist forces and irregulars in the fight against the Republicans backed by Egyptians who at the height of their involvement had 70,000 men engaged in the Yemen civil war.

The peak for mercenaries was 48, of whom 18 were British and 30 French and Belgian, for the most part veterans of the Congo but whose conduct in the Yemen was far removed from the African debauch. And, although the Saudis were his paymasters, the operation was very much in the interests of Britain and the West—a point which he does not over-emphasise.

Smiley had been called in earlier by Lieut-Col. Billy McLean, another notable member of the Special Operations Executive free-masonry and a former colleague in Albania, to appraise the situation on behalf of the Saudis. With a modesty and good humour which clearly underscores the rigours and dangers involved, he gives a lucid account of his Yemeni adventures. Fed from copious diaries and illustrated with many of his own photographs, it is full of colour and anecdote about the treks across the rugged mountain terrain from one Royalist command post to another, his dealings with the Hamid ud-din princes, and life in the caves which provided the best cover from the rockets of the MiG fighters.

It is a reflection of the political twists and turns of Araby that in his first Arabian assignment Smiley was indirectly fighting the Saudis when as a seconded British officer he commanded the Sultan of Oman's Armed Forces during the revolt raised under the banner of the dubiously appointed religious Imam Ghalib bin Ali but in reality organised by his wily brother Talib and financed by Riyadh. By a strange coincidence the colonel on his first visit to Jeddah was to see in the lobby of his hotel none other than Talib whom he had come within a hair's breadth of capturing before the dramatic finale in 1959. The story of the storming of the towering 10,000-foot Jebel Akhdar, which was the Imam's stronghold, would have done credit to Henty's imagination.

Smiley's must be the best and most authoritative account of this action which required the assistance of British troops including the four squadrons of the Special Air Services to bolster SAF, then a small and ill-equipped force run on a financial shoe-string. Quite apart from the high-mountain drama, his work in strengthening and making more efficient the reactionary old Sultan's Army is something else Smiley can contemplate with satisfaction in his retirement in Spain. He evidently undertook his Arabian assignments without any of the highflown sense of mission or romance shown by some other respectable mercenaries of the past.

Two presidents BY JUREK MARTIN

Gerald Ford by J. F. terHorst. W. H. Allen. £3.95, 245 pages

FDR's Last Year by Jim Bishop. Hart-Davis, MacGibbon. £7.00, 690 pages

Gerald Ford has been President of the United States for barely three-quarters of a year. To my knowledge Mr. terHorst has produced the first book so far on the man. Franklin Delano Roosevelt was America's longest serving chief executive and has been the subject of as much intense analysis as anybody, but Mr. Bishop has concentrated on the details of the past 12 months of his life.

Mr. terHorst can fairly claim to be the journalist closest to Mr. Ford. They grew up together in Michigan, terHorst as a newspaperman, Ford as a politician, and when Ford was catapulted into the White House on Nixon's resignation last year, it seemed logical to ask terHorst to be his Press secretary. It was a brief interlude: a month later, when Ford pardoned Nixon, terHorst resigned in protest and, equally briefly, became something of a cult hero in Washington in his own right.

But that incident clearly did not diminish the fundamental affection that the author holds for the President. Thus, though this cannot be said to be an authorised biography, it is not especially critical. Mr. terHorst clearly is at home with Mr. Ford's unimaginative, undemanding but basically honest conservatism. He makes no attempt to probe too deeply into any of the murkier aspects of Ford's career—the attempt to impeach Supreme Court justice William Douglas, for example— and I have the suspicion that Mr. terHorst ascribes to Ford a rather greater influence of legislation than in fact he exercised, in spite of long tenure as Republican leader of the House of Representatives.

However, not even Mr. terHorst's bland benevolence can hide some of the more pertinent questions that have to be asked about Ford's fitness for the highest office. Ford's extraordinary gyrations as vice-president, his inconsistent alternation between support for then President Nixon and dissociation from him, hardly suggest a man who knows his own mind. By his omissions, Mr. terHorst seems to be half acknowledging that the presidency of the U.S. demands more of its incumbent than that he simply be a nice guy.

FDR, dying, presented a truly tragic sight. Mr. Bishop's style is based on exhaustive research and the "I was the fly on the wall" technique. It works movingly well when applied to FDR's personal circumstances in his last year, increasingly enfeebled, known by his doctors to be dying, eternally conscious of his own frailty but never publicly admitting it, intermittently decisive, always charming, and gathering, at the very end, consolation from the woman he had truly loved for a quarter of a century, not his wife, Eleanor, but his faithful Lucy Mercer Rutherfurd.

And when transferred to matters of international statesmanship in the closing months of the war, the technique produces fascinating vignettes—on Yalta, on FDR's seaborn summit with Ibn Saud, perched in a tent on the prow of an American destroyer, on the ambivalence of FDR's feelings towards Stalin. Mr. Bishop, like Mr. terHorst, has affection for his subject. But then, one suspects, there was rather more to be affectionate about.

Fiction

Killer's club BY MARTIN SEYMOUR-SMITH

The Sicilian Specialist by Norman Lewis. Collins, £3.50. 351 pages

The Field-Marshal's Memoirs by John Masters. Michael Joseph, £3.50. 315 pages

Young Patullo by J. I. M. Stewart. Gollancz, £3.50. 317 pages

An Empty House by George Friel. Calder and Boyars, £2.95. 183 pages

Yesterday's Spy by Len Deighton. Cape, £2.75. 224 pages

Norman Lewis, who published his first book in 1938, has attracted some high praise from distinguished critics; but he has never had the attention he deserves. He is not listed in the new Cambridge Bibliography of English Literature, and, more surprisingly, is not even mentioned in Walter Allen's survey of the modern novel, *Tradition and Dream*. Yet *The Day of the Fox* (1955), at least, is surely a remarkable achievement: few English writers have so brilliantly conveyed the mores of a "simple" Mediterranean people (here the Catalans of a fishing village). Lewis has two special gifts: deep and precise knowledge of his material, which is often exotic or horrific, and a poker-faced style that owes something, although by no means too much, to Hemingway at his best.

The Sicilian Specialist displays both these gifts. The author was seconded as a member of British Intelligence to the American Fifth Army in 1943, and he spent two years in Italy watching the Allied governments fall under the spell of Vito Genovese and Lucky Luciano, both of the Mafia. As readers of *A Small War Made to Order* (1966) will know, he also has intimate knowledge of the CIA; and it is clear from this new novel that his acquaintance with the post-war Mafiosi is as close.

The background of *The Sicilian Specialist* is appalling; and we believe Norman Lewis when he implies that he knows much more than he is telling here. As he says, "There are. . . killers in this book whose names have not been changed. . . Bonachea Leon is a specialist assassin kept in a Central American jail, from which he is released periodically to commit political assassination." These are the kind of realities with which *The Sicilian Specialist* deals; the laconic detachment of its style brings them into the harshest possible relief.

This novel is an excellent piece of character observation. The young Sicilian Marco Riccione proves himself so resourceful that he rapidly rises in the ranks of the Mafia; certain Americans are also interested in him, and when he is forced to flee from Sicily he becomes Mark Richards, a specialist killer. Although he is a horrible figure, he is the puppet of an organisation even more horrible; by refusing to judge him Norman Lewis allows us to understand his strange code, which is ultimately superior to the hideous perfectionism of his masters.

The Sicilian Specialist is very well done; it makes the flesh creep, and all the more so when the author tells us that the three political murders that form an important part of the plot have been "cleansed of some of their cobwebbing of deceit." This fiction is worth any amount of documentary.

For his latest and, as always, highly readable military romance John Masters has invented a "Balkan Campaign" of 1945, a campaign that ended with the Battle of Vojja Lovac, in which the famous Field-Marshal Sir John Durham, according to the official record, routed the Nazis. But 28 years later the still fêted Field-Marshal, now a very old man, is dissatisfied: he feels like a marble monument, and he wants to tell the truth. Although this threatens both the myth of his famous victory and the well-being of his family, he decides to write his memoirs. The politicians, and others, do not want it.

The psychology of this novel is mechanistic and wholly unconvincing. But the military detail is impeccable—especially as the campaign is imaginary—and John Masters is professional rather than pretentious. There is enough military truth, at least, in *The Field-Marshal's Memoirs* to justify enjoyment of its expert narrative pace and skill.

Young Patullo is the second in J. I. M. Stewart's projected five-novel "Oxford Sequence." But in terms of chronology it comes first, for it relates events that took place 20 years earlier than those of *The Gaudy*, the first volume to appear. Duncan Patullo, who has just come up to Oxford—to his room on the staircase in Surrey (a college quadrangle), where he is to meet his future friends—is the narrator. Most of the novel is about a now bygone Oxford, but we get some inkling of Duncan's adolescence in Scotland and of the character of his father, a famous painter called Lachlan Patullo. *Young Patullo*, which is as surprisingly subdued as its predecessor, is at its best in its comic or frankly nostalgic aspects. The sense of Oxford and of its characters is gently but incisively conveyed; but when the author comes to anatomise his characters, and to present them in more serious light, he is curiously feeble. The book works well at a comic level, but the structure cannot take the weight of seriousness—as, for example, that of Anthony Powell's novels can.

George Friel's *The Empty House* is a straightforward, modest, well-written story of youth and age—a theme also explored in its four predecessors. Here an over-confident adolescent goes to live secretly in a mansion which has been left to his sister, who can neither sell it nor afford to live in it. He gets involved in a murder case, and is convincingly shown, at the end, as purged of his illusions.

The author's capacity to convey the tormented intensity of male adolescence quite frequently reminds one of the veteran New Zealand writer, Frank Sargeson—which is high praise. *An Empty House* has the same qualities of empathy and detachment as some of Sargeson's writing about young people; it is a quietly impressive novel.

Len Deighton's latest spy story deals with the ambitious new exploits of an "old-fashioned" spy, Steve Champion. It lacks the breathless pace of earlier Deighton thrillers, but is easier to understand (for those who may have been, heretically, confused). It is a thriller to take in at a quick sitting. The dialogue is somewhat stilted—almost as if the author were tired—but the narrative compels attention once disbelief has been suspended, which it fairly willingly is.

Wilde's friend BY JOHN LEHMANN

Frank Harris by Philippa Pullar. Hamish Hamilton. £5.25, 420 pages

"He was a square-headed individual with very black hair parted in the middle and brushed fiercely back," wrote H. G. Wells describing the occasion when, as a very young man, he was summoned by Harris to the office of the Fortnightly Review. "His eyes as he met my shabby and shrinking form became intimidatory. He had a blunt nose over a vast black upturned moustache, from beneath which came a deep voice of exceptional power. He seemed to me to be of extraordinary size, though that was a mere illusion; but he was certainly formidable."

It is difficult to know whether to judge Frank Harris as a man with a modest literary gift, an editor with an outstanding flair, and a generous friend of artists who had fallen foul of prejudice and repressive law; or as a loud-mouthed liar, a self-deluding megalomaniac, and a promoter of shady financial schemes. He was all these things at one time or another, and his complex character and chequered career seem to hold an inexhaustible fascination for the biographer. Moreover, in his lifetime, he seems to have had a personal magnetism that blinded people to his faults and turned them into uncritical disciples and worshipping fans, at any rate in the first flush of acquaintance.

Not daunted by five previous books, Mrs. Pullar has made yet another attempt to sift the authentic from the distorted, or even totally dreamed up, in Harris's autobiographical writings. Her book is too long, and absurdly full of padding, but it trundles on in a very readable if rather flat-footed way. She clearly finds him amusing and picturesque; but it seems to me that her judgment in the end is against him, though she rightly draws attention to the melancholy introspective streak that lay just below the boasting and the rant.

One wonders whether Harris would be remembered with such interest if he had not written, towards the end of his life, that remarkable work of exuberant and salacious fantasy, *My Life and Loves*, which he had to peddle himself with every humiliating subterfuge to escape the censorious eyes of police and customs men. He paints himself as a sexual super-athlete, and though one may take leave to doubt the truth of many a lurid page, he certainly radiated sex, dreamt of sex, and was shattered by the impotence that overcame him in his last years.

He appears to have been a 100 per cent. womaniser, but he had no prejudices as his championing of Oscar Wilde in his hour of need shows, and his witty confession that, though he had never experienced the embraces of a man, if Shakespeare had asked him he might have said Yes. (A remark that produced a wicked cartoon from Max.) Nevertheless, there were some curious survivals of Victorian sexual superstition in his makeup.

It is painful to follow the decline of his career in Mrs. Pullar's pages from the audacious and often inspired editing of the *Fortnightly* and the *Saturday Review*, with the sparkling lists of first-rate contributors he had recruited, to the vulgar and scandal-mongering *Modern Society*. In that get-rich-quick atmosphere of late Victorian and Edwardian society, he seems to have been badly bitten by the craving to become a millionaire. The story of the restaurant and the hotel he (disastrously) promoted in the South of France makes sorry reading, and incidentally tarnishes the record of his friendship with Wilde.

Harris made a great deal of noise in his life. It is difficult to avoid the final impression of a bounder, a paranoiac and a con-man. But one should remember the earlier phases of his life, before these faults had corrupted and overlaid what was admirable in him: his hatred of cruelty in the name of justice, his contempt for sexual hypocrisy, and his genuine, deep admiration for literature and the great artists.

Frank Harris in the custody of the tipstaff on his way to Brixton Prison, 1914

Monster of the sea BY JAMES McDONALD

Supership by Noël Mostert. Macmillan, £3.95. 304 pages

No one can love a supertanker. Several years ago when I saw the first 300,000-tonner enter Ireland's lovely Bantry Bay it was a classic example of beauty and the beast. It is indicative that even the people who man these lonely and largely automated giants—plying from an off-shore loading point in the Persian Gulf to a desolate part of Rotterdam with perhaps a 12-hour turn-round time at each end—describe the tanker as "it" rather than "she."

Mr. Mostert's book is a superb journalistic achievement and draws attention, rightly, to the dangers which these ships present to the environment. Within a factual account of the potential disasters which could be created by two supertankers colliding, for example, in the English Channel, and the horrific effect on the coastal environment Mr. Mostert weaves into his book a sad tale of the lonely lives led by the technicians, rather than seamen, who man these enormous ships, a quarter of a mile long.

To some extent Mr. Mostert has been overtaken by events. He is strongly opposed to the supertanker on both the environmental and accident factors but ships like these remain a fact of life. P & O, on whose ship Mr. Mostert travelled in 1971 between Europe and the Far East, challenges several of his claims in the book, and P & O is regarded by him as a "good" supertanker operator.

While welcoming the bulk of Mr. Mostert's book—and his frightening description of a tank inspection exercise—each tank about the size of a small cathedral—P & O opposes his view that supertankers would be safer if built with double bottoms, twin screws and rudders.

"All these refinements would not make a safer ship and in some cases could be counter-productive," claims P & O.

The oil price crisis has led to a setback for the supertanker and about 25m. deadweight tons of tankers—mainly VLCC's—and representing about 10 per cent. of the world tanker fleet are now lying idle. It is also likely that over 50m. tons of supertankers on order with the world shipyards also may be cancelled this year.

Events have moved quickly in the shipping sector over the past year but many of Mr. Mostert's arguments against the supertanker as an environmental menace remain valid. The main question is — what can replace the supertanker?

U.K. ECONOMIC INDICATORS

		1975			1974	
General	Unit	May	Apr.	Mar.	May	Apr.
Unfilled vac'n's¶	'000s	164.1	173.4	178.0	429.8	398.0
Unemploymt.¶ a	'000s	813.0	899.7	768.4	535.4	646.8
Currency resrvs.	$bn.	6.491	7.122	7.117	6.920	6.956
		Apr.	Mar.	Feb.	Apr.	Mar.
Bank advances b	£bn.	14.770	14.877	15.024	13.986	13.918
Manfd. prods. d	1970=100	182.0	179.0	175.9	146.3	142.4
Basic mater'ls d	1970=100	223.0	221.8	218.8	217.4	[illegible]
Retail prices ...	Jan.'74=100	129.1	124.3	121.9	106.1	[illegible]
		Mar.	Feb.	Jan.	Mar.	Feb.
Trms. of trade e	1970=100	78.4	78.3	77.3	72.9	74.1
Wage rates	July'72=100	166.8	160.6	158.7	125.7	[illegible]
HP debt¶ e ...	£bn.	2.265	2.284	2.303	2.378	[illegible]
Indust. output**	1970=100	104.6	105.5	105.2	105.7	[illegible]
Rtl. sales val.**	1971=100	166.3	166.7	165.8	138.2	[illegible]

		1975			1974	
Trade and Industry		Apr.	Mar.	Jan.-Apr.	Apr.	Jan.-Apr.
Comm. vehicles*	'000s	32.3	31.8	29.3	31.8	[illegible]
Cars*	'000s	108	105	115.1	115.3	[illegible]
Imports f.o.b.**	£bn.	165.5	165.8	172.4	166.2	[illegible]
Exports f.o.b.**	£bn.	136.6	154.0	148.1	125.5	115.4
Visible trade balance	£bn.	−0.289	−0.118	−0.243	−0.407	[illegible]
Steel (weekly average)*	'000 tonnes	429.5	494.4	471.0	489.7	[illegible]
Bricks*	millions	414	381	400.2	519	[illegible]
Cement (wkly. average)*	'000 tonnes	327	338	314	388	[illegible]
Houses cmpltd.¶	'000s	26	23	23.3	20.2	22.6
Man-made fibres*	m. kgs.	45.12	44.33	44.31	63.9	[illegible]
		Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
TV sets‡‡	'000s	202	234	246	269	288
Radios, radio-grams‡‡‖	'000s	362	301	356	383	468
Hosiery*	1970=100	89	91	88	102	97
		Feb.	Jan.	Jan.-Feb.	Feb.	Jan.-Feb.
Petroleum†	m. tonnes	7.23	8.33	7.78	8.05	8.46
Furniture†** ...	1970=100	156	151	153	130	129
Raw cotton§ (wkly. average)	'000 metric tonnes	2.13	1.83	1.98	2.07	1.87
Engin. (orders on hand)** ...	1970=100	126.0	127.0	126.5	136.0	135.5
Machine tools†	£m.	25.1	23.0	24.05	18.3	16.7
Elec. cookers† f	'000s	77.0	80.2	78.6	64.4	63.9
Washg. mchns.†	'000s	85.9	83.9	84.9	75.7	73.8

		1975	1974			1973
		Jan.	Dec.	Jan.	Jan.-Dec.	Jan.-Dec.
Raw wool§	m. kilos	8.9	7.7	8.7	9.4	10.4
		1st qtr.	4th qtr.	1st qtr.	Year	Year
Consumer spending	£bn. 1970 values	9.125	9.010	8.346	35.607	35.799
Motor trade turnover	1967=100	243	209	186	207	[illegible]

		1974			1973	
		4th qtr.	3rd qtr.	Year	4th qtr.	Year
Bldg. and civil engineering* ...	£bn.	2.623	2.667	10.220	2.372	[illegible]

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. a Figures revised November, 1972, earlier figures adjusted. b Constituent changed January, 1973, to refer only to U.K. residents' sterling. c Revised May, 1973. d Prices. e From January, 1974, figures were calculated on 1961 base series linked to December, 1973. From October, 1974, onwards all 1974 figures and 1973 figures back to July have been revised and fully rebased to continue on a full 1970 base. f Including cooker grilles toasters.

FINANCIAL TIMES SURVEY

Thursday June 5 1975

CHANNEL ISLANDS

There is no shortage of very rich people wanting to enjoy the considerable tax advantages of the Channel Islands with the result that immigration policies are becoming increasingly strict. The authorities also have to ensure that the newcomers integrate successfully with the native islanders.

Jp goes he nte gain

S YEAR the Channel nds are celebrating the 30th iversary of their liberation n the German occupation. It emarkable how the islands chosen *their own* distinc- pathways since taking up management of their own irs again in 1945.

lderney has been repopu- d and has become a free-and- paradise for people look- *for a congenial life on a* small island. There is a e offshore financial business lucted there. But generally Alderney people are content leave that sort of thing to rnsey. their bigger neigh- r. They are *now* part of the liwick of Guernsey.

ersey and Guernsey have nged but little scenically. many charming manor uses are in better repair than one can remember. Indeed *st of them are sparkling with* h paint and care and atten- . But that is because they mostly occupied by the rich tlers who have come to the islands to enjoy taxation at 20p in the pound without death duties. Which points to the real changes on these two islands. New communities now exist alongside the indigenous island- ers and the *traditional* cadres of retired civil servants and Services officers.

Each island has a new community of the very rich. And that means *very* rich. Jersey has been looking for people able to show several millions of pounds wealth each to qualify for *admittance to the island*. Rarely has there been a shortage of applicants. Each island also has a new community of bankers and managers of financial *institutions*. They represent the new career of tax haven to the world which the two islands have taken up with such nerve, verve, and success during the last ten years. Considering the complex patterns *of these different but inter*dependent societies on the two islands it says much for the two governments that everything is working so smoothly. One reason is that government is still almost wholly in the hands *of the native-born islanders* themselves. They are a cautious and thoughtful people.

There is one other main island in the group. That is Sark. Just a ferry trip away from the flesh-pots and bank parlours of Jersey and Guernsey the virtue of Sark is that it has not changed significantly either physically or socially for *hundreds of years. And it does* not intend to change. Sark is a benevolently feudal island—a hereditary Seigneurie, to be more precise. As no motor-cars are allowed there it is one of the last refuges of peace and quiet in Europe.

So well has each island pricked a course down its chosen pathway that they might be in danger of being charged with being complacent, even smug, about their successes today. Here is a group of tiny islands lying off the French coast but acknowledging as ruler the Queen as Duke of Normandy. They are part of the British Isles but not part of the U.K. They have a special and useful relationship with the Common Market via a protocol to the British treaty of accession.

Prosperous

They have become prosperous to an extent undreamt of by the islanders of a couple of centuries ago who existed at various times by fishing and by knitting: two precarious occupations. It would be easy to be complacent in the spring sunshine of the islands, with low taxation pledged by the administrations to *continue into the* far distant future, and a high standard of living the privilege of almost every inhabitant.

However, the islands have had severe reverses of fortune in the past and are not inclined to be complacent now. Rather are they showing a conspicuous *alertness in contemplating* their economic futures. For several problems are looming. One is the problem of people. Tight little islands can only accommodate so many: otherwise some would be in danger of falling off the edges.

Jersey and Guernsey are *becoming increasingly strict* about their immigration policies. Jersey is already in a position to scrutinise the bank balance and potential worth to the community of every immigrant. That can mean measuring the strain the applicant is likely to put on the community in terms of services required—servants, housing, eventual medical care, etc.—against that person's contribution to the budget in terms of the tax he will pay or the work he will do.

Jersey uses the regulator of *permission to buy or rent* property. Guernsey is, so far, less strict and has an open market for the higher priced properties. But Guernsey too is reaching the *limit* of its desirable population and intends to restrict growth of the present population of 54,000 (by controlling immigration) to about 300 a year over the next ten years to a limit about 7 per cent. above the present figure.

Next are the problems associated *with being important* offshore financial centres. Together the islands now have about £1,400m. of other people's money on deposit and are managing assets worth thousands of millions—no one knows exactly how much. For such enterprises to proceed harmoniously the islands *must have high degrees* of political stability—which they are confident they can offer under the general umbrella of British protection—and impeccable reputations for financial probity.

To achieve the second they have been quick to bring in the *professionals*. Both islands are now well advised and affairs monitored by civil servants. Their laws relating to finance and bankruptcy are approxi*mately consistent with those of* England, although some islanders will claim they are ahead of England in certain respects. But this injection *of* professionalism has been bought at a price. The islands are more bureaucratic and less "chummy" than they used to be.

The whole financial operation which spreads through the Channel Islands is reaching a *point in its development where* it will consolidate and develop selectively rather than double its business every few years as has been the case in the recent past. Both Jersey and Guernsey now take the view that these financial *operations* are almost as big as the islands can manage without undue pressures being put upon their limited resources.

Noisy

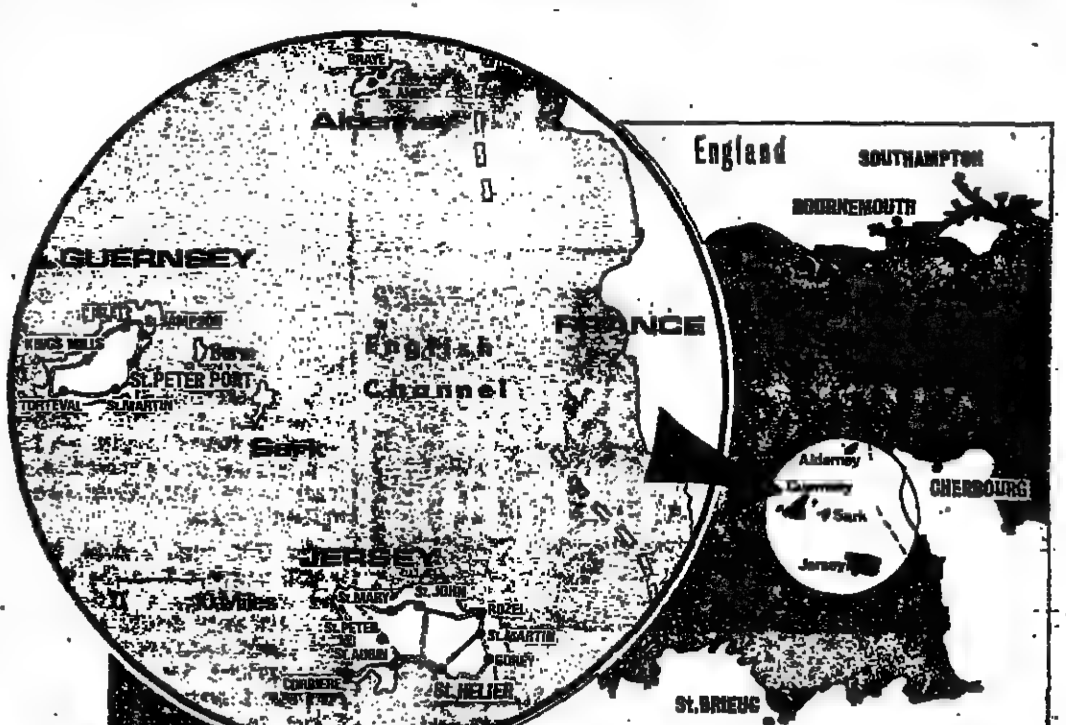
There was a predictably noisy reaction from the island's financial communities when it became clear that Chancellor Healey was going to make British citizens who moved to the islands in future liable to continue paying the capital *transfer tax. But many of the* islanders themselves holding positions with political power have not been unduly upset. Although they are always sensitive about any possible Whitehall encroachment upon their *independence they have tended* not to regard the capital transfer tax decision in that light. For it is to be applied to Englishmen before they settle in the islands. The true Channel *Islander puts a higher premium* upon the delicate but enduring relationship between the islands and the U.K. than he does on the small print of tax avoidance.

Looking to the future it is *clear that light industry must* pay a part in the development of the islands. Tourism, agriculture, and banking cannot be a complete base for rounded economies. The islands are acutely conscious that, offered virtually only those three careers, many young people have to leave the islands. Jersey already has a fair sprinkling of industry employing some 1,000 people. It may consider more manufacturing on a highly selective basis. Although labour is in very short supply in these islands of full employment the advantages of manufacturing from a mid-Channel low taxation base are sufficient to interest many companies.

Guernsey, although turning down roughly nine out of every ten applications to set up manufacturing facilities, has pursued an industrialisation policy in recent years with success. A recent *official* report on the island's economy explained with engaging frankness that the policy should be to allow sufficient industrialisation to place "a slight but healthy pressure" upon the less efficient activities of the island.

Whether the islands are havens or prisons to individuals must depend upon the sort of careers they wish to pursue, how they react to living in small, highly-charged communities, and whether they have wealth they wish to protect. But one thing is clear. The two Bailiwicks of Jersey and Guernsey are making *sincere* and determined efforts to balance the often conflicting requirements of their peoples.

Roy Hodson,
Regions Editor



Following a rapid increase in commercial property development Jersey has introduced plans to control future expansion and Guernsey is considering whether to introduce similar legislation.

Property development

IN 1972 and 1973 the Channel Islands witnessed an explosion of commercial property development. It came with the settlement of the islands' EEC position, and with the rapid expansion of the off-shore finance industry.

Since 1972 smart new office blocks have blossomed both in St. Helier and St. Peter Port. Most contain lifts, double-glazing, air-conditioning, central *heating, private basement* car parks, ground-floor shops, and a few residential flats.

The current asking price for rents is around £3.50 per sq. ft. (per annum) although some developers—in spite of the apparent excess of supply over demand—are hopefully looking for £4 or more. Generally leases are for 21-year terms with three-yearly revisions.

Much of the development, which is still apparent in each *island capital, has been* speculative, but a proportion, including a £½m. banking hall by Rothschild and Hambros in Guernsey, has been undertaken by finance institutions for their own use. Some, such as the Slater, Walker (Jersey) building, are associated with investment policies. *Slater, Walker* has, in fact, assembled one of the largest portfolios of commercial and industrial properties in the islands with the as yet unfulfilled object of offering islanders a chance to buy shares in Property Investments Channel Islands its holding company authorised to issue 82m. 25p shares.

Commercial and public works projects apart, the islands' hard-pressed building industries —3,000-strong in Jersey, and 2,000 in Guernsey—were also committed in 1972-73 to luxury housing developments and conversions, along with hotel and guest house extensions. In Guernsey there was additional lively interest in self-catering holiday units, and industrial development sites.

Inevitably the explosion alarmed local politicians and citizens who found it increasingly difficult to find builders *interested in tendering* for large or small contracts. The speculative building of relatively low-cost homes virtually came to a halt.

The reckoning came in 1973 when it was officially estimated that *about* 500,000 square feet of new office accommodation was in the pipeline in Jersey—not counting large schemes awaiting approval including two by Slater, Walker and one by the Rank organisation.

Flats

In Guernsey it was disclosed that a staggering 1.1m. square feet of office space in blocks incorporating residential flats and basement parking had been either approved, or applied for. Mr. Edward Collas, president of the Advisory and Finance Committee told local MPs in October, 1973, that to staff the offices—if all were completed—the island would need to "import" 3,500 more essential workers who, with their families, would add 10,000 to the population figure of 52,000.

However, Mr. Collas explained that only some 400,000 square feet of the developments could be classed as "probable" including 73,000 square feet of residential units, and 17,000 square feet of car-parking space.

Surprisingly, in view of the statistics, it was Jersey which moved first to introduce controls. They came into force in January, 1974, in the shape of a unique Regulation of Undertakings and Development Law requiring existing businesses *wanting to expand* and new businesses, to apply for licences from the Finance and Economics Committee.

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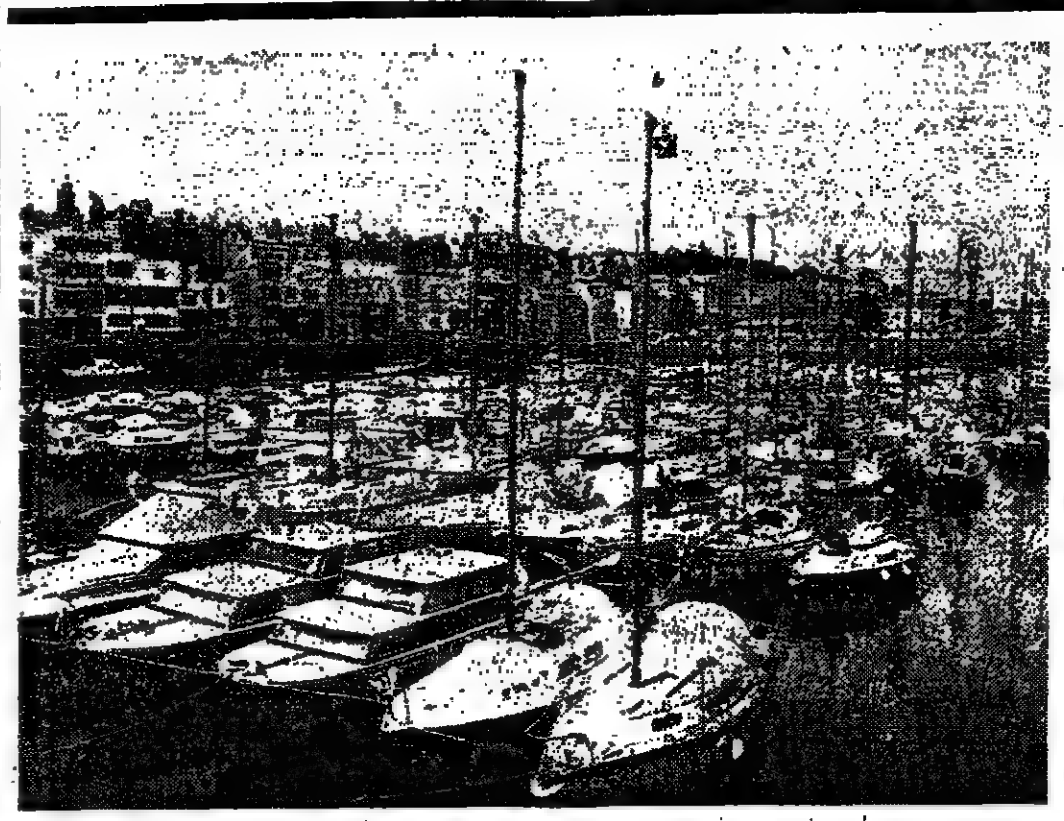
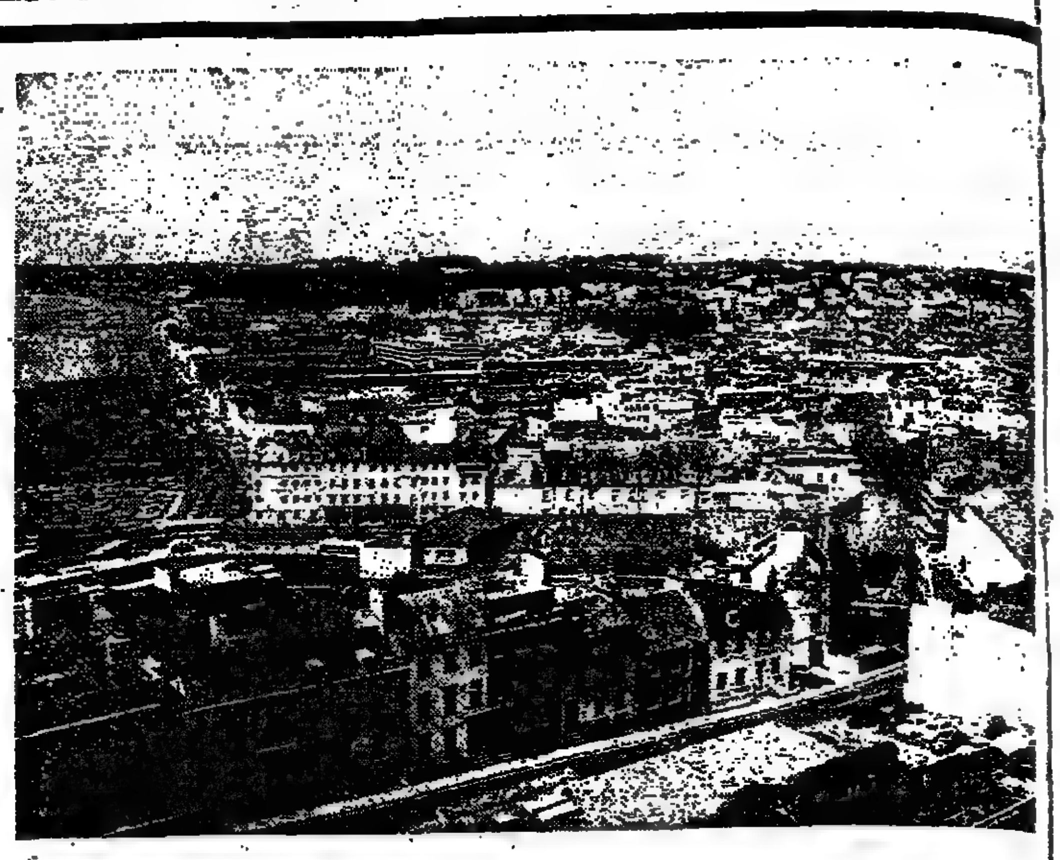


The yacht marina at St. Peter Port in Guernsey.



St. Helier in Jersey.

The decline in the value of the pound has made the Channel Islands even more attractive for the British holidaymaker. And as well as this more and more overseas visitors are coming to enjoy the islands' cheap goods.

A broader tourist base

IF ANYTHING, the fall in the value of sterling is tending to underwrite for the Channel Islands a tourist season set fair to break last year's record, when there were something like a million visitors.

For U.K. mainlanders, the £ is still worth a £ in the islands and even gains a little uplift from low-duty drinks and VAT-free goods made even more helpfully priced by Mr. Healey. Package tourists are not liable, either, to a surcharge to compensate for the downward slide of British currency.

The rate of exchange makes the islands seem better bargains than ever to Continental visitors. The French hop over to Jersey for the day simply to stock up with everything from liquor to clothes and household goods. In the first quarter of this year the island had 8,332 French visitors against 4,759 for the corresponding period of 1974.

The tourist authorities, however, have no illusions about the problems lying ahead for an industry expected this year to be worth about £50m. in Jersey and at least £15m. in Guernsey. Traditionally, the Channel Islands are "the British holiday abroad" and by far the bulk of the trade still comes from the U.K. To-day's sunny picture could quickly cloud over if widespread unemployment hit Britain.

Markets

Increasingly, and with some success, the islands are seeking to expand their markets on the Continent while recognising that the lion's share must still come from Birmingham and Manchester rather than from Paris and Brussels. Says Mr. Leslie Rebindaine, Jersey's chief tourism executive: "More and more we are realising the dangers of having all our eggs in one basket."

In 1974 Jersey attracted some 180,000 foreign visitors—double the number that came four years ago. Non-U.K. tourists to Guernsey are now reckoned to account for about 15 per cent. of the total, and the island is aiming for a target of 25 per cent. by 1977.

Guernsey is even sounding out the Scandinavian market. Some 25,000 brochures in Swedish have been printed, and last month Mr. Michael Walden, director of tourism, made an exploratory trip to Sweden, Norway and Denmark.

Meanwhile, a tentative once-a-week flight direct from Amsterdam to Jersey has been stepped up over recent years to twice-weekly services to both Jersey and Guernsey, and this year a direct weekly flight to the islands from Dusseldorf has been introduced.

The bid for Continental traffic is in line with the islands' policy of trying to woo an up-market type of tourist with more money to spend than the small guest house holidaymaker who was once the industry's bread and butter.

The strategy is also to go for a longer season through development of conference trade and the short, winter-break holidays in the islands now being increasingly promoted by tour operators, the airlines and British Rail.

The fact that Jersey and Guernsey are catering for more visitors every year despite a decline in the number of tourist beds in the islands shows how successfully the load is being spread. The bed loss has been mostly due to small hotels and guest houses being sold as private accommodation. Since 1968 Jersey has lost 1,000 beds because 150 establishments have dropped out; many of them now house bank staff.

Guernsey has also had a steady loss of beds and the Tourist Committee is anxious to see two or three new first-class hotels built, but so far moves in this direction have been frustrated by planning problems, financial difficulties and opposition from local residents.

The conference trade, however, should get a shot in the arm next year when Beau Sejour, a £2m. leisure centre on the outskirts of St. Peter Port, is scheduled for completion. It includes amenities for small and medium-sized conferences.

Plans for a major conference centre at Jersey's Fort Regent leisure complex were dropped after escalating costs had forced a rethink of the whole scheme. The partly completed development was eventually given the go-ahead, and the complex is now expected to be finished by 1977 at a cost of £5½m. Meanwhile, a private conference centre is being built at Jersey's Hotel de France.

Encouraged

Self-catering accommodation now accounts for about a sixth of Guernsey's tourist beds and hotels are being encouraged to include such units in new developments. This situation is somewhat envied by hoteliers in Jersey, where government policy is against development of self-catering flats and chalets because of the island's acute housing shortage.

With the cost of living in the Channel Islands running at about 4 to 6 per cent. higher than in the U.K., local hoteliers are looking for new patterns of catering to prevent tariffs soaring beyond tolerance point for British visitors.

As it is, hotel rates in the islands have gone up by 20 to 30 per cent. this season. A leading Jersey hotel owner went into a huddle over his desk calculator recently and worked out that if costs continued to rise by 20 per cent. a year his present charge of £12.40 a day would be £31 a day by 1980.

In this inflationary situation hoteliers are understandably nervous about the amount of crystal ball gazing necessary when fixing tariffs for the coming season, especially since information for the official tourist guides has to be supplied by October.

Informed

In Guernsey establishments are allowed to raise charges at any time as long as holidaymakers are informed of the increase when they book, but up to this season Jersey's prices have been "pegged" for 12 months ahead. This year Jersey has compromised by letting hoteliers show in the guide a possible mid-season increase.

Guernsey hoteliers are now pressing for a relaxation of the tourist law provision that licensed establishments must offer full board. They want to be free to quote half board or bed and breakfast terms, arguing that this would go a long way towards easing to-day's costing problems.

A marked trend in Jersey has been for tour operators to buy or lease their own hotels. The locally based Travtel International has just bought its seventh unit, giving it control of more than 500 beds. Gala Holidays and Preston Travel are two other operators who have invested heavily in Jersey hotel properties.

Partly as a counter to this trend nine leading Jersey hoteliers have gone into the travel business by setting up their own tour operation, Viking Travel.

New thinking is also being applied to air and sea links. Whatever subterranean grumbles there are in the islands about the whip-hand held by "monopolies," the fact is that British Rail, British Airways and British Island Airways are vital to them because they operate all the year round.

British Rail introduced a drive-on car ferry service from Weymouth to Jersey in 1973, and to Guernsey last year. It is considering a different shape of service to the Channel Islands for next year, linking them with Cherbourg and St. Malo through the multi-purpose vessels Caledonian Princess and Earl Godwin. The latter, a former Swedish boat, was bought for £3½m. and is expected to be in service by October after modifications have been carried out.

British Airways is gradually phasing out the now ageing Viscounts used on the Channel Islands run. So far Guernsey's government has banned the use of jets.

Says Mr. A. J. West, British Airways manager in the Channel Islands: "It is inevitable that we will eventually replace Viscounts by jets. We are bringing more of them—such as the BAC 111-400 series operating from Birmingham and London—into Jersey at week-ends this year already. As far as Guernsey is concerned we are looking closely into the situation to find a solution suitable for the island."

In April, the locally based Aurigny Air Services, largest user in the world of Britten-Norman Trislander aircraft carried its millionth passenger since it began operating in 1968. Its inter-island network—Jersey, Guernsey and Alderney—also takes in Southampton and Cherbourg.

Controlling interest of Jersey's Intra Airways was recently acquired by a South Wales group of companies. This year, the airline is operating scheduled services from Jersey to Staverton, Cambridge, Ostend, Dinard and St. Brieuc, as well as charter trips to France.

Willa Murray

Property

CONTINUED FROM PREVIOUS PAGE

At first the regulations applied to projects involving 500 square feet or more but later this was reduced to 100 square feet, in effect extending control over virtually all business expansion and new development. There were two primary objectives—the reduction of the rate at which new job opportunities were being created, and the diversion of builders to "high priority" projects such as housing, schools and hospitals.

In April this year a report covering the first 12 months' operation of the law was published. It disclosed that the committee had received 152 applications from businesses wanting to expand, or from new enterprises. Of these only 17 were refused licences including six shops, two offices, a wine-bar and two workshops.

In addition, there were 197 applications for commercial development licences involving projects together worth over £17m.—of which 142—worth £9.7m.—were approved. Another £3m. worth of developments were placed on the "active" file, and 33 applications were refused. This involved estimated development costs of £4.2m. and included 26 luxury house projects and seven speculative commercial developments. The report adds that because of the "general economic climate" not every approved project could be expected to materialise.

Benefit

Mr. Colin Powell, Jersey's Economic Adviser, said: "Clearly the law, and the financial situation during 1974, has had an impact. Certainly in the last six months the States have seen the benefit as regards better tendering. At one time only about two builders were coming forward, recently the figure has risen to eight or nine."

Also during 1974 four St. Helier developments providing between them a total of over 70,000 square feet of new office space were completed and either let or sold to joint stock banks. These included two projects of 40,000 sq. ft. and 8,000 sq. ft. for AI&P (Jersey) and Urbes Securities, and a 20,000 square feet project for Sheraton Securities.

Mr. A. J. "Tony" Williams, of William A. Bull & Co., the negotiating agents, said: "I estimate there is still some 150,000 square feet of office accommodation available or in the pipeline in Jersey and until this slack is taken up it would seem pointless to build more. Certainly, unless they are a hundred per cent. pre-let, speculative office developments are right out now."

Along with a growing body of professional opinion in Jersey, Mr. Williams believes that an "easing" of the regulations must come. Builders, architects, estate agents have all complained that 1974 was a "poor year" although wholesale bankruptcies predicted before the introduction of the law have not transpired. However, house sales at 1,400 in Jersey last year were 150 fewer than in 1973, and expensive properties once priced at around £100,000 have tended to drop by as much as £25,000.

To date Guernsey's developers and builders have escaped Jersey-type controls, although it is officially admitted that similar legislation is "being considered."

Curiously, in view of the concern expressed in 1973, no government department has up-to-date statistics. However, reliable estimates put the amount of commercial property currently available in Guernsey or in the offing at around 200,000 square feet including at least three sites where work recently started.

The largest development, due for completion this autumn, is a 32,000 square feet office/shop project at the South Esplanade, St. Peter Port. Like another 8,000 square feet development alongside it was part of a diverse portfolio of Channel Islands properties valued at some £10m. assembled by Mr. Ernest Wolfgang Brauch, recently convicted at the Middlesex Crown Court on currency smuggling conspiracy charges. Almost all Mr. Brauch's holdings appear to have been taken over by creditors including Twentieth Century Banking of Brighton, one of the largest. However, instructions regarding the S. Esplanade project are being given via Provincial & Northern Finance.

Centres

The remaining Guernsey developments under way and partly let are by local companies including the Guernsey Gas Light Co. (28,000 square feet), Commerce Holdings (24,000), Channel Island Hotels and Properties (14,000), Harbourside (15,000) and Egavas (15,000 in 6 separate projects).

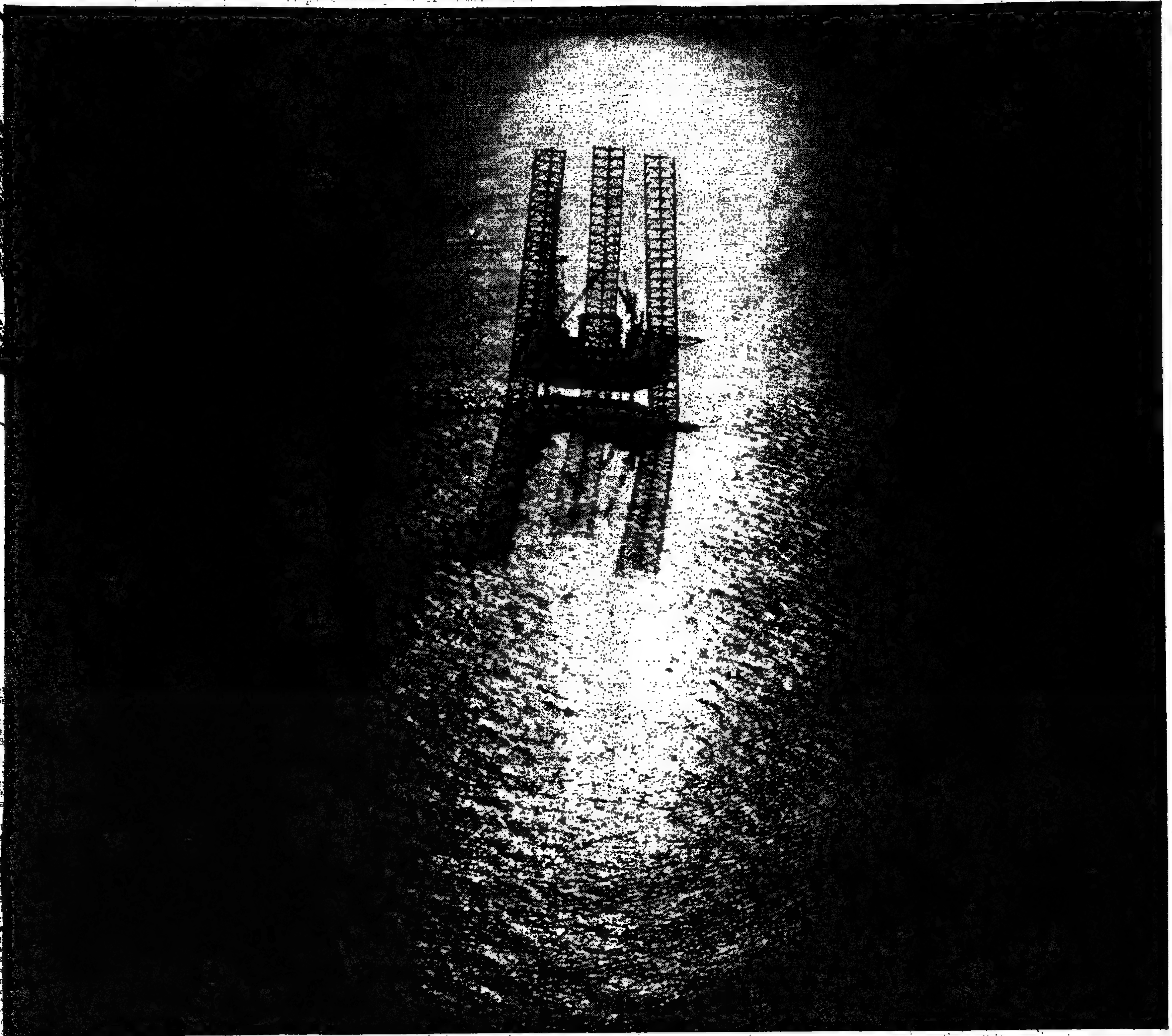
Mr. Graham Nugent, managing director of Egavas, said: "In the past two months there has been a revival of interest from both prospective tenants and investors. But the big question still is — who will occupy all these offices?"

One hope is that existing businesses, in particular the banks, will expand. Another is that more European, Middle East, and Far East companies will show interest in the islands as off-shore finance centres.

Even so, with their strict controls over economic growth and immigration, the islands may have to accept empty offices as a feature of the local scene for many years to come. No problems, however, are envisaged over filling shops and the limited amount of industrial property available.

Meanwhile, in spite of the cost put at £10,000 per bedroom, at least one Guernsey company is planning a new purpose-built hotel. If it materialises it will be the first in Guernsey, although not Jersey, since before the last war.

Bob Baker



These days, it takes more than money to make money

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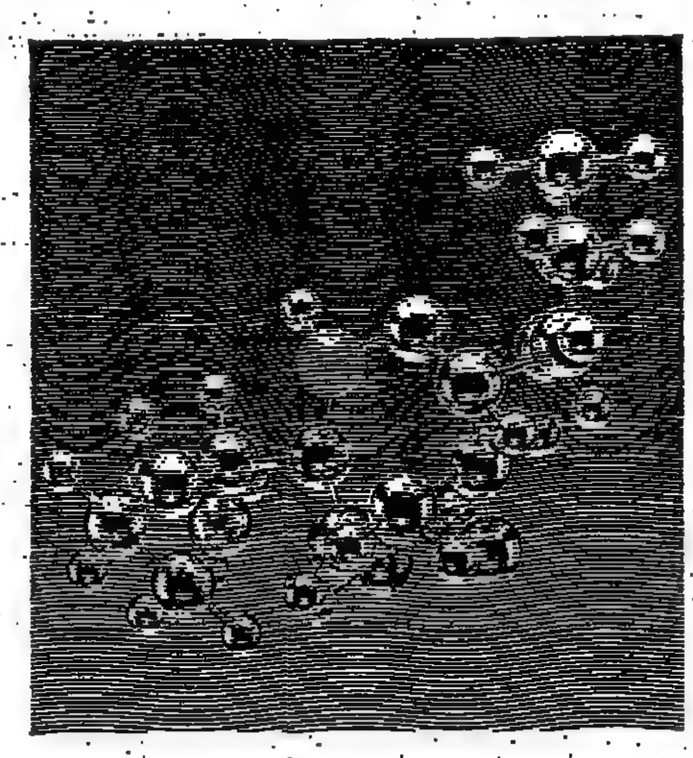

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In dealing with industrialisation, problems of land and housing oblige the authorities to pursue a highly selective policy. But within these limits a useful mix of light manufacturing has grown up to supplement the islands' revenues.

Varied range of industry

ONE OF THE less publicised sides of the Channel Islands is that they export close on £20m. worth of manufactured goods annually to markets all over the world—a not insignificant contribution to the sterling balance of payments for a community of 125,000 people with virtually no natural resources.

Inconspicuously sited away from the holiday beaches and beauty spots of Jersey and Guernsey is a surprisingly varied range of light industries producing everything from electronic equipment and aero engine parts to knitwear and cuddly toys.

Companies that have set up plants in the islands (they include RCA, Tektronix, Rediffusion, Eurotherm, Dimplex and Abrasives International) find that local conditions are pleasantly conducive to businesslike operation. It is not just the helpfully low and simple corporate taxation, but also the lack of red tape and the ready access to government departments, which make for quick decisions and unbarassed concentration on the job in hand.

In fact, though there are inevitable insular disadvantages such as added freight costs, the Channel Islands, especially with their proximity to France, have enough to offer to have attracted many more new industries in recent years had they wished.

But the need to keep the right economic balance in communities where land and housing are in short supply, and where constraints are now being put on population growth, has led to a highly selective policy. Even in Guernsey, which is seeking new industry more actively than Jersey, only about one in 10 applications gets official encouragement.

Apparent

Mr. Colin Powell, Jersey's Economic Adviser, says that though the island government never gives "a blanket No" to any proposition the benefits have to be very apparent for a new industry to be welcomed in.

"We would not be enthusiastic about a firm that needed to import a lot of technical and managerial staff. We would look much more favourably on one that provided training and job opportunities for local people, especially males. Economically, the criterion is that an industry should generate high profits—and so good tax payments—in relation to the manpower and resources it uses up."

In Guernsey, where much the same rules are applied though perhaps rather less rigorously, an incoming industry is expected to employ 20 local people for every worker imported.

A laboratory at Television Research's factory in Jersey It is part of the Rediffusion group.

Both islands have become increasingly strict about the occupation of local houses or flats by newcomers, and a very convincing case has to be put up to obtain housing permission for an imported "essential worker." Even then, in Jersey, he is not allowed to buy or lease the accommodation in his own name—it has to be company property.

Says Mr. Stanley Hill, managing director of RCA Jersey: "This is obviously not very acceptable to, say, a professional engineer who expects to own his own house. We deliberately paint a very black picture of the housing situation before we take on someone from outside so that he will be under no illusions."

However, this is one of the facts of life that companies in the Channel Islands learn to live with, and RCA itself is just embarking on an expansion programme that should double its exports this year to nearly £6m. with the absolute minimum of imported expertise.

Mainly concerned since it moved into Jersey nine years ago with making video tape recorders, the company is now going into the international market with a portable colour TV camera which was shown at the recent Montreux Television Symposium. An associated development is a very compact mobile studio housed in a 3½-ton van and incorporating the new camera and a mini video tape recorder.

RCA Jersey has succeeded in mounting this project with only one imported key man, an experienced camera engineer from the U.K. In addition, one of its own technicians has been sent to the U.S. for training. Between them these two will train all the other staff needed.

By 1980 RCA Jersey expects the value of its exports to reach £12-£14m. a year. But, again, Mr. Hill sees it as a gradual build-up with the present staff of around 100 rising to 140/150 over the period.

RCA is one of upwards of 25 companies—not all of them exporting concerns—with factories on Jersey's industrial estate at Rue des Prés. The estate is now practically full, but there are plans to sell a remaining one-acre site for development as a multi-unit factory that could house a number of small industries.

Few people in Jersey realise that there are aero engine test beds at Rue des Prés. They are operated by a unique enterprise built up by Mr. Charles W. Evans—Aviation Jersey, which services Rolls-Royce aero and industrial engines for users throughout the world. There are few airlines or air forces that have not been customers of this company at some time or other.

Now Aviation Jersey, which has its main plant at La Haule in St. Brelade, is diversifying into the humanitarian field of medical engineering, starting with a new type of outdoor chair for the limbless and disabled that has already created international interest.

A sophisticated electronic aid that took 18 months to develop, the chair is the brainchild of one of Britain's leading aircraft hydraulics engineers, Mr. Alfred Barker—now retired to Jersey—backed by the company's aero engineering team.

The Channel Islands' most self-sufficient manufacturing operation is almost certainly that of Television Research, a companion company of Rediffusion (Jersey), which runs a radio and TV cable system locally. These companies, just coming up to their 25th year in Jersey, share a factory on the outskirts of St. Helier that has just been extended from 42,000 to 50,000 sq. ft.

Television Research, which designs and makes all the playback equipment for the world-wide Reditune spot-music service, has its own sheet metal and machine shops and does its own pressure die-casting, injection moulding, electro-plating and anodising. All the tools for these processes are designed and produced in the factory, and in addition the company handles its own dispatching to over 50 countries.

Timer

With a turnover now approaching £1m., Television Research is currently launching several new products, among them a sophisticated timer capable of controlling four different devices at minute intervals over a full week.

Guernsey's industrial scene has been dominated for years—and still is—by the American oscilloscope manufacturer, Tektronix, whose local operation accounts for about half of the 1,000 workers employed in light industry and was responsible for the island's impressive £5m. worth of electronic exports last year.

However, a drive to attract new industries, and also to encourage local firms to seek wider markets, is gradually leading to a more balanced industrial mix.

A local subsidiary of the 1975 Queen's Award winner, Eurotherm, is now producing sub-assemblies for its U.K. parent company in a 13,000 sqare feet factory employing 50. The Dimplex group has a local plant and the U.S. Standex International is to set one up; there is also the possibility of Parsons Chain opening a £½m. factory next year.

Meanwhile, another new Guernsey venture, Universal Packaging—an offshoot of Lonsdale Universal—has given the Channel Islands its first polythene factory. To the gratification of Guernsey's authorities this promising industry was launched without importing any outside staff at all.

Edward Owen

Having scored a considerable success in building up their financial communities, the main islands are now looking to a period of consolidation with perhaps quieter growth.

High financial skills

THE ISLANDS have achieved the first objective in their comparatively new career as an international centre where banking and financial services can flourish in the sparkling climate provided by low taxation policies and minimum state interference. They have won for themselves, during the decade or so that they have been in the tax haven game seriously, a first-class international reputation among all who value and need such services.

First and foremost they have political stability of a high order when comparisons are made with their competitors. Neither revolution nor invasion is likely to cheat depositors who choose to trust to these mid-Channel strong-boxes. They can also outplay most of the opposition among rival tax havens when it comes to regulating their deposit-taking institutions to guarantee high standards of professional conduct.

There is a general feeling of gratitude among the Jersey and Guernsey financial communities for the willingness and activity shown by the legislatures of both States to set standards and to monitor financial practices closely. Such care has proved good for business in the long-run. And there is a widespread comfortable feeling that the few rotten apples which did manage to get in the basket have now been spotted and tossed out.

The immediate problem facing the financial sector is "Where do we go from here?" Are the Channel Islands to progress towards the role of a mini-Switzerland? Or is the whole operation likely to remain strictly limited to serve the special needs of a sector of the international financial business by being just a tax haven—albeit of a most superior type?

Strained

The question is pertinent and it is too early to give a definitive answer. The islands seem agreed upon one tactic which will govern development in the short-term. They do not want a great many more banks and other deposit-taking institutions. Jersey has some 30 and Guernsey more than 40. That, it is felt by the politicians and administrators, is almost enough. Otherwise the physical resources of these small territories are going to be strained by accommodating bankers and their families. A few more licences will certainly be granted. But they are likely to be for banks which represent areas of the world where the Channel Islands are not, at present tapping business.

Ideally both the islands' banking communities will provide truly world-wide networks for pipelining funds into the islands for deposit, and for the management of trust funds. So far they tend to be strong in the former sterling areas and under-represented in the New World and, indeed, in Europe.

Some influential people believe the first priority is, in fact, to interest the Europeans much more in the services offered by the islands. The special relationship with the Common Market given the islands by Britain's membership has not brought the financial business from Europe that had been hoped for.

There is some puzzlement on the islands that the French are not making more use of these facilities within sight of their shores. However, one banker, more cynical perhaps than some of his fellows, put it to me "What do the French need with a tax haven. They never give a thought about paying their taxes."

When it became known that under the new Finance Act people moving from the U.K. to live in the Channel Islands would not escape liability for capital transfer tax a wave of alarm was felt on the islands. Sensitivity towards the islands' complicated and delicate relationship with Britain is one of the hall-marks of the whole low taxation operation. Was this the beginning of the end of the islands' special position?

In retrospect the CTT alarums and excursions can be looked upon as a nine-day wonder. Mr. Healey's action is not expected to have more than a slight impact upon the overall financial scene on the islands. It will certainly deter some wealthy people from retiring there. But the islands have been enjoying more applications from the wealthy to be allowed into the club than they can comfortably cope with. CTT will not deter, for instance, people with high earning power who want to live on the islands to enjoy the low taxation and absence of death duties.

The main impact of the CTT proposals upon the islands appear to have been in the publicity they have received round the world. Mr. Healey has implanted among some potential investors overseas just a tiny idea that the British Government might be more closely involved in financial business placed with the Channel Islands than some investors would appreciate.

Thus the state and extent of connections between the island authorities and banks and the British authorities is currently a favourite talking-point in St. Helier and St. Peter Port whenever two or more financial men are gathered together. Recently there was a financial conference in the islands at which a Bank of England official volunteered to answer questions. A stream of probing inquiries resulted as bankers let loose their uncertainties about what the Bank might now tell the Inland Revenue.

The Bank of England line was, quite firmly, that the Bank does not tell the Revenue anything that the other cannot learn about Channel Islands accounts in the course of business. That seems to be the truth of the matter. It is, of course, the task of the islands' bankers to convince their clients that it is so.

The Bank of England now holds "clinics" in Jersey and Guernsey once a fortnight at which any banker can raise any question concerning clients' business in complete confidence. By the very nature of the offshore finance game the questions being put to this clinic, and the proposals for new forms of trusts, etc., are becoming ever more convoluted.

The total money on deposit through the islands' institutions—and most of it transmitted thereafter to the London markets—now totals some £1,400m. The total assets handled and managed by the islands' financiers on behalf of clients is a figure never yet calculated with any certainty. But it certainly runs into thousands of millions of pounds. Every sign is that the funds will continue to flow in and the trust business will continue to grow. But business may be harder to win. Few financial men in the islands expect the next ten years to give them growth like the last ten. Indeed, with the limited resources available—staff, offices, communications, etc.—most would not want it.

Upsurges

Rather, the islands' banking communities are now in general looking forward to a period of slower growth but active consolidation. Meanwhile they foresee quite rapid upsurges in business with Europe and those areas of the world which have not so far been properly covered by the islands.

The process of consolidating the financial businesses of the islands has already begun. Evidence of this is the way in which banks and other institutions are tending to specialise into favoured lines of business and to acknowledge each others' specialisations. For instance, Slater, Walker (Jersey) is very strong on local lending (the company has turned in profits of more than £0.5m. before the Jersey 20 per cent. taxation). Some other banks, by contrast, never look at the local market and are entirely concerned with clients on the other side of the world. Yet others are developing specialisations in such areas as Euro-dollar trading.

Ultimately the furore over CTT may be seen to have done some good for the Channel Islands. It has served to bring to the forefront the fact that the Channel Islands' financial structure is not nowadays for the simple purpose of providing a bolt-hole for wealthy tax avoiders. The financial machines now operating in Jersey and Guernsey embrace all the skills that are required of a major financial centre. The target of being a mini-Switzerland, to which some aspire, may not be so remote after all.

Roy Hodson

هكذا من الأصل

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 10% (Since May 2, 1975)

Day-to-day credit was in full supply in the London money market yesterday, and books were balanced without official intervention. Banks had carried over surplus from Tuesday. Government disbursements exceeded revenue transfers to the Exchequer, and there was a fall in the note circulation, but the market faced a net take-up of Treasury bills, the authorities held maturing bank and local authority bills, and there were appreciable gilt-edged settlements running against the market's favour. On the basis of these identified factors, however, it seemed possible that banks carried forward a surplus.

Discount houses paid 7¾-8¾ per cent. for secured call loans in the earlier part, but found some balances in the later stages at 7-7½ per cent. In the inter-bank market, overnight loans were in a rough range of 8½-9 per cent.

The one-month sterling certificate yield was unchanged on the day, at 9⅛-9[illegible] per cent., but the *three-month* eased a little, to 9⅞-9¾ per cent., from 9[illegible]-9¾ per cent., and the 12-month fell to 11[illegible]-11 per cent., from 11[illegible]-11 per cent.

Rates in the table below are nominal in some cases.

June 4 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ¢	Bank bills ¢	Fine trade bills ¢
Overnight	—	8½-9	—	—	—	9-10	7-8¼	—	—	—
2 days notice	—	—	8¾-9	—	—	—	—	—	—	—
7 days or 7 days notice	—	8⅞-9⅛	9⅛-9¼	—	9¾-10	—	8¾-9	—	—	—
One month	9⅛-9[illegible]	9¼-9[illegible]	9½-9⅝	10-9¼	10-10⅛	—	9	9[illegible]-9⅜	9⅛	10-11¼
Two months	9¼-9⅝	9⅝-9[illegible]	—	10-9¼	10¼-10⅛	—	9¼	9⅝-9[illegible]	9⅛-9⅝	10⅛-11¼
Three months	9⅞-9⅝	9¾-9⅞	9⅞-10	10-9¼	10⅛-10⅜	—	9⅜-9⅛	9⅛-9[illegible]	9[illegible]-9⅜	10⅛-11¼
Six months	10¼-10[illegible]	[illegible]	10¼-10[illegible]	[illegible]	10⅛-10[illegible]	—	—	—	—	—
Nine months	10½-10[illegible]	10½-10[illegible]	—	[illegible]	—	—	—	—	—	—
One year	11⅛-11	11¼-11[illegible]	11⅛-12⅛	11⅛-11¼	—	—	—	—	—	—
Two years	—	—	—	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice; others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-14⅛ per cent.; four years 13¾-14⅛ per cent.; five years 13⅞-14⅛ per cent. ¢ Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills 9¾-9[illegible] per cent.; and four-month trade bills 10¾-11¼ per cent. Approximate selling rate for one-month Treasury bills 9¼-9[illegible] per cent.; two-month [illegible] per cent.; three-month [illegible] per cent. Approximate selling rate for one-month bank bills 9¾-9¾ per cent.; for two-month [illegible] and three-month 9[illegible]-9⅜ per cent.; for one-month trade bills 10-10¼ per cent.; two-month 10-11 per cent.; and three-month 10-11 per cent. Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Bank Base Rates for lending: 9½ per cent. Treasury Bills: Average tender rate of discount 9.4459 per cent.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16
Jun. 24	July 7	Sept. 18	Sept. 30

"Calls" were dealt in Lion International, Marks and Spencer, P. and O. Deferred, Turner and Newall, Dunlop and Tomatin Distillers. A "put" was done in Courtaulds, while "doubles" were arranged in Ultramar, Fairey, National Westminster Bank warrants, Amalgamated Investment Property, Grand Metropolitan, ICI and Laporte.

Industrials							
A.P. Cement	20	Grand Met.	9	Slater Walker	15	Mines	
Assoc. Leisure	3	G.U.S. 'A'	20	Spillers	7	Anglo Amer.	50
Barclays Bank	35	Guardian	20	Tesco	6	Broken Hill Pty.	75
Beecham	28	G.K.N.	28	Thorn 'A'	20	Chat	9
Boots Drug	24	Hawker Sidd.	35	Tube Invest.	30	Charter Cons.	22
Bowaters	20	House of Fraser	10	Unilever	40	Chart'h'll Fin.	8
B.A.T.	35	Hudson's Wilms.	5	Utd. Drapery	12	Cons. Gold	25
[illegible]		I.C.I.	24	Vickers	16	De Beers Def.	25
[illegible]		"Imps"	7	Woolworths	6	F. S. Geduld	150

[illegible]

NEW "HIGHS" AND "LOWS" FOR 1975

Too numerous to name individually the 194 new "highs" recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 3 new "lows."

NEW HIGHS (194)

COMMONWEALTH AND AFRICAN LOANS (3)
AMERICANS (1)
BANKS (5)
BEERS (4)
BUILDINGS (12)
CHEMICALS (5)
DRAPERY AND STORES (19)
ELECTRICALS (9)
ENGINEERING (21)
FOODS (4)
HOTELS (1)
INDUSTRIALS (41)
INSURANCE (2)
MOTORS (3)
NEWSPAPERS (2)
PAPER AND PRINTING (2)
SHIPPING (1)
SOUTH AFRICANS (5)
TEXTILES (3)
TOBACCOS (1)
TRUSTS (60)
OILS (5)
RUBBERS (1)
TEAS (1)
MINES (5)

NEW LOWS (3)

MOTORS (2)
Airflow Streamline
Western Motor
MINES (1)
Metals Explor.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	2	2	39
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

[illegible]

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	*9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7¼%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

I.G. INDEX
GOLD 164-167

CORAL INDEX
Close 359-364

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd. — Albany Life Assurance Co. Ltd. — AMEV Life Assurance Ltd. — Atlantic Assurance Co. Ltd. — Barclays Life Ass. Co. Ltd. — Brandts Ltd. — Canada Life Assurance Company — Cannon Assurance Ltd. — Charterhouse Japhet Life Ass. Co. Ltd. — The City of Westminster Assur. Soc. Ltd. — The City of Westmnstr. Ass. Co. Ltd. — Commercial Union Group — Confederation Life Insurance Co. — Cornhill Insurance Co. Ltd. — Crescent Life Ass. Co. Ltd. — Crusader Insurance Co. Ltd. — Eagle Star Insur./Midland Assur. — General Portfolio Life Ins. Co. Ltd. — Growth & Sec. Life Ass. Soc. Ltd. — Guardian R.E. — Hambro Life Assurance Limited — Harvest Assurance Group — Hearts of Oak Benefit Society — Hill Samuel Life Assur. Ltd. — Imperial Life Ass. Co. of Canada — The Individual Life Ins. Co. Ltd. — Investment Annuity Life Assur. — Irish Life Assurance Co. Ltd. — King & Shaxson Ltd. — Langham Life Assurance Co. Ltd. — Life & Equity Assurance — Life Assur. Co. of Pennsylvania — Lloyd's Life Assurance Ltd. — London Equity Assurance Ltd. — M. and G. Group — Magna Assurance Company Ltd. — Mnfrs. Life Insur. Co. (U.K.) Ltd. — Merchant Investors Assurance — NEL Pensions Limited — New Zealand Insce. Co. (U.K.) Ltd. — NPI Pensions Management Ltd. — Norwich Union Insurance Group — Oakhill Assurance Ltd. — Phoenix Assurance Co. Ltd. — Prop. Equity & Life Assce. Co. — Property Growth Assur. Co. Ltd. — Prudential Pensions Limited — Reliance Mutual — Royal Insurance Group — Save & Prosper Group — Schroder Life Group — Scot. Widows' Fnd. & Life Ass. Soc. — Slater Walker Insurance Co. Ltd. — Sun Life of Canada (U.K.) Ltd. — Target Life Assurance Co. Ltd. — Transinternational Life Ins. Co. Ltd. — The Trident Life Assur. Co. Ltd. — Tyndall Group — Vanbrugh Life Assurance — Welfare Insurance Company Ltd. — Windsor Life Assce. Co. Ltd.

[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

Figures in parentheses show number of stocks per section.

	EQUITY GROUPS — GROUPS & SUB-SECTIONS	Wed. June 4 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tuesday June 3 Index No.	Monday June 2 Index No.	Friday May 30 Index No.	Thurs. May 29 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	128.77	+1.7	16.61	6.20	7.96	7.97	126.60	125.86	123.14	124.18	104.26	129.41 (30/5)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	111.17	+1.2	19.90	7.01	7.66	7.68	109.80	108.30	106.31	107.43	102.74	117.40 (22/4)	45.11 (6/1)	235.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	234.85	+1.4	16.84	4.04	8.79	8.79	231.55	232.56	228.60	230.53	173.68	251.61 (25/4)	74.74 (6/1)	389.35 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	228.38	+1.8	16.40	5.14	8.80	8.78	224.44	222.76	213.49	215.29	200.22	229.60 (20/6)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	155.70	+1.5	22.46	7.05	6.71	6.71	151.74	153.71	151.14	151.27	108.24	159.79 (22/4)	64.39 (2/1)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	115.05	+2.1	19.04	6.94	7.70	7.69	112.62	111.60	109.96	110.94	86.05	115.05 (4/6)	46.43 (6/1)	168.59 (4/5/72)	46.43 (6/1/75)
7	Machine and Other Tools (11)	44.05	+0.6	13.05	7.76	14.14	14.14	43.77	46.62	48.14	48.60	34.46	48.96 (20/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	120.34	+1.7	20.19	6.48	7.16	7.16	118.28	117.15	115.96	116.05	94.25	120.34 (4/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	90.97	+2.6	19.80	6.73	7.46	7.44	88.69	87.28	84.91	84.84	91.66	90.97 (4/6)	38.59 (6/1)	227.78 (21/4/72)	38.59 (6/1/75)
10	Electronics, Radio TV etc. (15)	104.85	+4.4	19.53	4.89	7.41	7.40	100.67	98.18	94.60	94.85	109.95	105.62 (10/3)	44.22 (6/1)	257.41 (19/6/72)	42.85 (13/12/74)
11	Household Goods (15)	148.84	+0.9	29.34	7.44	4.89	4.89	141.53	141.05	140.08	139.85	145.92	146.90 (23/5)	64.53 (6/1)	263.38 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	49.19	+2.1	15.88	9.06	9.65	9.77	48.18	47.80	46.75	46.76	45.69	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	145.68	+1.9	13.78	5.59	10.34	10.29	142.97	142.27	138.72	139.46	110.83	145.68 (4/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	158.96	+0.8	12.56	6.22	11.91	11.91	158.01	155.56	152.04	152.52	128.92	162.46 (27/5)	75.58 (6/1)	281.87 (25/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	173.66	+2.9	13.04	5.40	11.31	11.31	168.73	167.60	164.71	164.43	146.94	173.66 (4/6)	80.42 (6/1)	257.40 (15/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	158.14	+2.6	13.61	7.11	10.82	10.82	154.07	152.65	146.57	149.59	126.14	158.44 (27/5)	66.88 (6/1)	329.99 (12/12/72)	64.85 (9/1/75)
17	Food Manufacturing (22)	156.30	+2.4	15.18	4.99	10.32	10.26	152.64	155.24	147.93	149.92	111.42	156.30 (4/6)	62.08 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	149.17	+2.3	10.41	4.19	14.13	14.13	145.81	146.46	143.85	143.47	102.51	149.17 (4/6)	57.15 (2/1)	238.08 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	151.04	+2.4	15.56	6.33	9.69	9.69	147.56	147.60	144.81	144.71	139.11	151.04 (4/6)	55.08 (6/1)	260.29 (16/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	103.53	+2.2	23.30	6.56	6.38	6.34	101.30	100.08	99.73	101.20	76.18	107.12 (20/5)	43.46 (6/1)	136.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	131.79	+1.2	10.47	4.92	14.29	14.29	130.07	128.76	125.80	125.65	90.21	132.94 (20/5)	52.63 (6/1)	204.39 (15/3/72)	52.63 (6/1/75)
22	Textiles (19)	144.06	+1.9	24.27	6.19	4.92	4.77	141.35	141.10	138.45	140.58	118.13	145.07 (27/5)	62.91 (6/1)	263.72 (17/3/66)	62.66 (11/12/74)
23	Tobacco (3)	194.54	+2.5	17.02	6.86	8.74	8.74	190.14	190.14	185.72	186.49	172.96	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	43.14	+1.9	29.28	7.15	4.78	4.78	42.32	41.68	41.20	41.68	39.79	43.61 (23/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	186.53	+2.6	19.06	4.79	7.49	7.49	181.83	182.90	176.43	178.03	138.64	186.53 (4/6)	75.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	97.88	+0.5	14.59	5.42	9.22	9.22	97.39	96.88	93.96	95.22	113.60	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	370.90	−5.0	24.58	6.37	4.98	4.86	382.32	384.75	376.47	377.26	351.97	401.84 (10/3)	194.38 (6/1)	517.00 (8/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	152.36	+1.7	17.26	6.59	8.37	8.37	149.82	149.44	146.89	147.86	124.28	152.36 (4/6)	60.39 (6/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	141.96	+1.8	16.87	5.74	8.76	8.73	139.42	138.89	135.38	136.27	113.71	141.96 (4/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	296.47	+1.5	24.82	5.12	4.32	4.03	292.00	291.65	278.77	278.98	233.19	296.47 (4/6)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	154.95	+1.8	17.63	5.66	7.60	7.45	152.21	151.70	147.46	148.26	123.02	154.95 (4/6)	65.49 (6/1)	237.95 (16/8/72)	65.46 (13/12/74)
32	FINANCIAL GROUP (100)	144.44	+1.1	—	5.02	—	—	142.82	142.04	136.62	138.73	115.01	148.45 (2/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	170.20	+2.2	21.74	4.63	6.85	6.85	166.50	165.88	155.59	156.17	133.27	170.20 (4/6)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	158.41	+0.3	—	7.58	—	—	157.98	156.88	153.07	152.75	130.03	169.27 (7/3)	84.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	99.88	+1.6	24.99	9.17	5.32	4.88	98.33	94.85	91.69	94.21	210.74	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	118.58	+2.1	—	5.76	—	—	116.20	115.16	111.05	115.61	96.97	127.97 (25/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	118.46	+0.7	—	5.56	—	—	117.69	116.91	111.82	115.64	76.75	125.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	209.25	+2.4	9.59	4.19	15.46	15.46	204.26	204.01	198.40	200.16	146.75	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	88.12	+2.2	—	7.09	—	—	86.19	85.98	83.17	84.61	98.89	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	198.58	−1.0	4.14	3.15	35.47	34.56	200.65	205.84	198.86	204.29	147.83	241.23 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	72.76	+0.7	15.66	8.93	9.25	9.16	72.26	72.63	69.40	72.04	92.72	75.78 (23/4)	34.78 (10/1)	303.13 (19/8/72)	33.29 (17/12/74)
42	Investment Trusts (50)	176.49	+1.4	2.87	3.95	34.88	34.88	173.08	170.01	168.10	169.25	124.22	176.49 (4/6)	73.48 (6/1)	245.79 (25/4/72)	71.83 (13/12/74)
43	ALL-SHARE INDEX (650)	152.84	+1.6	—	5.42	—	—	150.39	149.68	145.31	146.46	120.14	152.84 (4/6)	[illegible]	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	500.29	+0.2	10.57	6.62	11.42	10.93	499.50	498.94	503.77	517.64	378.02	526.43 (23/5)	281.66 (2/1)	586.37 (23/7/73)	84.88 (25/6/65)
45	Teas (10)	96.47	+0.4	20.17	8.38	6.30	6.28	96.06	94.97	93.97	90.10	107.64	95.47 (4/6)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	426.49	—	46.05	17.71	2.17	2.17	426.49	437.69	462.90	462.90	392.70	467.74 (7/5)	374.38 (22/1)	567.78 (18/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	140.24	+0.5	6.69	3.76	12.54	12.50	139.58	139.94	141.34	139.18	97.95	141.54 (30/5)	80.58 (23/1)	175.90 (28/4/69)	66.51 (30/9/74)
48	Tins (8)	112.69	−1.6	9.05	7.36	14.23	13.22	114.49	112.28	112.46	111.97	86.87	114.49 (3/6)	58.91 (8/1)	125.43 (12/1/73)	54.83 (27/3/71)
49	Overseas Traders (13)	240.75	+1.1	14.55	3.77	8.75	8.75	238.02	239.96	241.06	244.07	—	252.25 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.57 (6/1/75)

	FIXED INTEREST	Wed. June 4 Index No.	Wed. June 4 Yield %	Tuesday June 3	Monday June 2	Friday May 30	Thurs. May 29	Wed. May 28	Tues. May 27	Friday May 23	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.63	14.62	14.73	14.93	14.92	14.92	15.14	15.11	13.73	—	—	—	—
2	20-yr. Govt. Stocks (6)	47.48	‡15.64	47.50	47.80	47.10	47.25	47.60	46.95	46.89	52.39	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	46.15	‡16.98	46.13	46.14	45.80	45.81	45.81	46.64	45.64	49.66	50.68 (21/3)	37.01 (3/1)	113.43 (25/10/65)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	42.51	16.28	42.66	42.66	42.58	42.76	42.65	42.65	45.13	45.46	45.57 (25/3)	35.35 (3/1)	114.41 (13/9/63)	34.95 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.06	15.25	59.01	58.93	59.09	59.20	59.35	59.25	59.35	59.82	66.98 (20/3)	48.55 (3/1)	114.95 (7/10/65)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	162.74			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	120.06			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Northern Developments has been replaced by Orme Developments (Contracting and Construction).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	21	296	+ 9	296	118
MEPC	25p	15	128	−17	231	64
Sun Alliance 'New'	Nil/pd.	15	116*	+ 7	130*	98*
Utd. Biscuits 'New'	Nil/pd.	13	25*	+ 1	26*	15*
Bowater	£1	12	177	+ 7	177	50
Distillers	50p	12	146	+ 4	147	65½
Natl. Westminster	£1	12	262	+ 7	270	88
Shell Transport	25p	12	332	+ 5	341	118
Unilever	25p	12	408	+10	408	170
BATS	25p	11	335	+ 5	337	164
BP	£1	11	530	+ 8	533	190
Marks & Spencer	25p	11	249	+ 7	256	95
P. & O. Defd.	£1	11	106	− 9	128	[illegible]
Ultramar	25p	11	216	+ 8	216	65
Charter Cons.	25p	10	183	+15	205	87

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

* Premium.

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1974, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Contracting and Construction	+184.53	Household Goods	+112.60
Insurance (Brokers)	+176.10	Electronics, Radio and TV	+112.22
Entertainment and Catering	+149.30	Packaging and Paper	+111.68
Oil	+147.16	Hire Purchase	+111.37
Insurance (Composite)	+145.09	Textiles	+110.25
Newspapers and Publishing	+144.30	Consumer Goods (Durable) Group	+110.22
Merchant Banks, Issuing Houses	+144.16	Motors and Distributors	+106.34
Banks	+141.41	Property	+103.40
Food Retailing	+141.21	Office Equipment	+102.77
Insurance (Life)	+139.66	Machine Tools	+101.71
Food Manufacturing	+134.11	Wines and Spirits	+ 98.93
Financial Group	+133.06	Breweries	+ [illegible]
Engineering (General)	+131.06	Tins	+ 89.46
Chemicals	+132.02	Toys and Games	+ [illegible]
Stores	+130.42	Discount Houses	+ [illegible]
Capital Goods Group	+128.40	Shipping	+ 78.15
Building Materials	+126.49	Rubbers	+ 73.67
Investment Trusts	+126.63	Tobacco	+ 59.23
All-Share Index	+124.83	Mining Finance	+ 58.56
Engineering (Heavy)	+123.21	Teas	+ 22.42
500 Share Index	+122.53	Gold Mines F.T.	+ 16.89
Industrial Group	+118.78	Coppers	+ 12.49
Consumer Goods (Non-Durable) Group	+115.25		
Electricals	+112.80		

* Percentage changes based on Tuesday, June 3, 1975 indices.

New president for Institute of Accountants

THE NEW president of the Institute of Chartered Accountants in England and Wales for the year 1975-76 is Mr. John Grenside—often described in the professional Press as "Mr. Europe."

Mr. Grenside, 54, is a partner in Peat Marwick Mitchell, London, and is due to succeed Sir Ronald Leach as the senior partner of the firm in 1977.

He was chosen as president at a meeting of the Institute Council yesterday which also elected Mr. Stanley Kitchen as deputy president and Mr. Brian Maynard, vice-president.

Mr. Grenside has represented British accountants on the Groupe d'Etudes des Experts *Comptables de la CEE* (a grouping of the principal accountancy bodies in the European Community) since 1972. He has played a leading part in discussions leading to revision of the company law and professional practice EEC *directives*, and is a frequent speaker at conferences dealing with EEC matters.

He was elected to the Council of the Institute in 1948, was chairman of the Parliamentary and Law Committee from 1972 to 1973 and vice-chairman of the Overseas Relations Committee from 1973 to 1974.

Mr. Kitchen, 61, is a partner in the firm of Touche Ross, Birmingham.

He was elected to the Council of the Institute in 1966 and became chairman of the Parliamentary and Law Committee when he led numerous delegations to Whitehall to discuss tax legislation.

Mr. Maynard, 57, a senior partner in Coopers and Lybrand, London, was elected to the council of the Institute in 1968 and was chairman of the Courses Committee from 1970-73.

See Men and Matters Page 18

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further profit-taking: index off 6.18

BY OUR WALL STREET CORRESPONDENT

NEW YORK, June 4.

FURTHER profit-taking clipped prices slightly on Wall Street to-day, after the two-day upsurge.

The Dow Jones Industrial Average came back 6.18 to 839.96 and the NYSE All Common Index dipped 11 cents to $49.24, although advancing issues outnumbered declines by 739-to-691. Trading volume decreased another 1.66m. shares to 24.9m.

Analysts related profit-taking to failure of a major bank to cut its prime rate recently despite downward interest rate pressures, the report of another sharp decline in capital outlays by "big business" in the first quarter and an unexpected Money Market move by the Federal Reserve Wednesday.

Treasury Secretary William Simon told a Congressional economic committee there is evidence the economic recession is in the process of reversing direction. The economy still has an underlying built-in rate of inflation that is unacceptably high.

Fresh evidence on the nation's inflationary situation will come to-morrow, when the Government releases latest monthly statistics on the Wholesale Price Index.

Motors were steady after car makers reported lower late-May sales of new cars.

Dow Chemical fell $2 to $87½ and U.S. Steel lost $2½ to $58¼.

Other Blue Chips and "Gla

Other Blue Chips and "Glamours" in retreat included IBM, down $1⅞ to $216½, Xerox $3⅛ to $72⅞, Walt Disney $2 to $49½ and Eastman Kodak $1½ to $103⅞.

Engelhard Minerals and Chemicals picked up $3 to $28½, Ryder Systems, a volume leader, gained $⅞ to $8¾, while United Technologies, also active, rose $1 to $51⅞.

Republic Steel were down $1 to $70½, International Paper $1¼ to $48⅞, Kaiser Aluminum $1⅞ to $27⅛, Alcoa $1 to $4 and Union Carbide $2¼ to $59¼.

A block of 120,000 shares of Sony crossed at $11⅞, up $¼ with the issue closing at $11⅞, while 99,900 shares of Commonwealth Edison crossed at $26⅞, with the close at $27, up $½.

Elgin National were up $⅞ to $14½, after $15⅞.

The American SE Market Value Index moved up 0.43 to 90.40, with advances outnumbering declines by 385 to 284.

Elcor Chemical the most active issue rose $½ to $3⅞ on volume of 101,500 shares.

Houston Oil and Gas improved $⅞ to $24½ and Amerada Hess Warrants $⅞ to $4½.

Kaiser Resources rose $½ to $10⅞ in an active turnover.

Canada lower

finished generally lower in moderate trading yesterday.

The Industrial Share Index fell 0.73 to 187.52, Golds 1.32 to 399.36, Base Metals 0.57 to 73.71, Utilities 0.47 to 100.97, Banks 1.05 to 262.70 and Papers 0.71 to 109.87. Western Oils, however, put on 0.25 to 180.77.

Falconbridge Nickel reacted $2½ to $35½ on first quarter earnings, but International Nickel 'B' added $⅞ at $29½.

OTHER MARKETS

PARIS—The market was irregular in thin trading. Finance Minister Fourcade's forecast of lower interest rates encouraged some resistance.

Banks, Portfolios, Rubbers, Electricals, Chemicals and Constructions were mixed. Paribas gained after remarks at the annual meeting of a hopeful outlook for 1975.

Engineerings were steady to firm, Stores slightly stronger while Metallurgicals and Oils lost ground. Imetal gained in Mines.

Among Foreign stocks, Americans, Germans, International Oils and Coppers eased. Dutch stocks were mixed, while Golds were marginally firmer and Belgians little changed.

BRUSSELS—Shares were irregularly higher in quieter trading. Among local leaders, Sofina, Gevaert, Hoboken, Asturienne, Union Miniere and Arbed rose. GB-Inno-BM, Cometra, Ste Generale and ACEC fell.

FN, which would make the engines for the F16 plane, lost ground following signs Belgium may postpone a choice on its Starfighter replacement. Petrofina lost 40 francs.

Germans lost ground. Others were irregularly higher.

GERMANY—Shares fell DM5 on average in uncertain trading and on profit-taking after the recent firmer trend and Finance Minister Hans Apel's remarks about tax rises.

Banks, Constructions and Motors were the heaviest losers, led by BHF-Bank, BMW and Daimler. Linde led Engineerings down DM5 and in Stores Kaufhof DM4, while in Steels Rheinstahl fell DM4.

In Bonds, high interest rate Bonds led public issues up to DM0.30 higher. The DM660m. eight year 8 per cent. Federal Loan was favourably received, trading between banks at its 98¾ per cent. price ahead of the official issue date. Mark Foreign Loans were well maintained.

AMSTERDAM—Prices generally weakened with Dutch Internationals showing moderate losses.

Major Banks, Insurances, most Shippings, IHC, Heineken and RSV led local losses. Hal, Oce and Giessen gained.

Some State Loans edged lower.

MILAN—The market closed lower over a broad front with operators cautious ahead of mid-June elections and speculation on Bank of Italy Governor Guido Carli's resignation.

In leading Industrials, Fiat, Olivetti and Pirelli all lost ground while Anic and Montedison were marginally higher.

SWITZERLAND — Markets drifted lower in light volume on lack of new factors and minimal buying interest, with small selling prompting widespread losses.

Major Banks and Financials tended easier, with Juvena Bearer and Participation Certificates again lower. Oerlikon-Buehrle were among the few gainers after its favourable earnings report and forecast of good results.

In the Foreign sector, Dollar stocks were generally very steady in moderate trading. Dutch Internationals fluctuated narrowly, while Germans lost some ground.

OSLO—Banks and Industrials were steady, while Shippings and Insurances were irregular.

VIENNA — Mixed in thin trading. Leading Industrials were steady.

COPENHAGEN — Higher in moderate trading.

HONG KONG—Prices registered slight increases in decreased trading.

Hong Kong Bank were up 10 cents to $HK15.60, Hutchison 15 cents to $HK2.50, Wheelock "A" 5 cents to $HK2.70, Hong Kong and Kowloon Wharf 50 cents to $HK12.50, and Gammon 10 cents to $HK21.10.

TOKYO—Prices rose across the board on increased Foreign portfolio investment. Volume 150m. (same) shares.

Sony led the market higher, adding Y250 at 3,450 on active buying by Foreign investors.

Electricals and Blue Chips followed suit, with Motors, Constructions, Trading Houses, Machinery and Pharmaceutical shares also rising.

Fertilisers were sought on expectations of improved results.

Shippings rallied, despite a tanker grounding and oil spill in Japan. Japan Line put on Y9 to 307 and Sanko Steamship Y6 to 640.

JOHANNESBURG—Gold shares were steady in small turnover.

Support was generally on local account with net gains in the region of 5 to 10 cents for marginal and speculative issues. Heavyweights were little tested.

AUSTRALIA—Closed strong in quiet trading. Several leaders touched 1975 peaks.

Markets reacted favourably to expectations that Social Security Minister Bill Hayden will become Treasurer.

The all ordinaries index is now at its highest point since last July.

BHP rose to a peak of $A7.30 before closing 12 cents up at $A7.28.

Bank of New South Wales also rose to a 1975 high of $A7 before closing at $A6.94—up 14 cents.

G. J. Coles, Philip Morris, CSR, Woolworths, Myers and Coal and Allied all reached new peaks before the close.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Industrials	Util.	Trading volume† 000's
June 4	67.69	165.92	839.96	83.01	24,900
3	67.79	167.88	846.14	82.37	26,560
2	67.65	169.04	846.61	80.71	28,240
May 30	67.62	167.65	832.29	79.82	22,670
29	67.51	165.72	815.00	78.64	18,570
28	67.65	165.64	815.08	77.45	21,880
27	67.75	166.98	826.11	77.46	17,030
23	67.59	167.98	831.90	77.17	17,270
22	67.90	168.87	816.91	77.23	17,610
21	67.94	166.42	818.68	77.17	18,640
20	67.75	167.22	830.49	76.05	18,510
19	67.96	169.66	837.69	78.19	17,270
16	67.86	168.50	837.61	78.16	16,650
15	67.64	170.50	848.50	72.68	27,690
14	67.91	173.47	858.73	78.20	29,050
13	67.60	172.56	850.16	78.64	24,450
1975 High	69.92 (4.4)	174.12 (6/5)	858.73 (14/5)	85.01 (4.6)	—
Low	66.16 (5/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/69)	—
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 30	May 27	May 31, 1974
4.65	4.66	4.58

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	June 4	June 3	June 2	M'y 30	M'y 29
49.55 (3/6)	37.06 (2/1)	49.24	49.35	49.18	48.46	47.67

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,837	739	691	387

	June 4	June 3	June 2	M'y 30	M'y 29
New Highs	198	221	251	149	78
„ Lows	6	3	6	7	6

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	June 4	June 3	June 2	M'y 30	M'y 29
89.91 (3/6)	62.20 (2/1)	90.04	89.61	89.50	88.68	87.55
Volume 000's		3,160	3,400	3,990	3,676	2,500

U.S. STOCK INDICES
STANDARD AND POORS

	*Industrials	†Composite
June 4	104.07	92.60
3	104.49	92.59
2	104.27	92.58
May 30	102.43	91.15
29	100.96	89.88
28	101.06	89.71
27	101.82	90.34
1975 High	104.49 (3/6)	92.59 (3/6)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 500 Industrials, 40 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	May 28 1975	May 22 1975	May 29 1974
Ind. Ord. yield p.c.	3.73	3.76	4.25
Ind. Ord. p/e ratio	10.43	10.30	11.07
Long-term Govt. Bds. per cent.	5.56	5.59	6.53

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Ryder Systems	253,600	8¾	+⅝
Gulf Oil	241,900	21⅞	+⅞
Caro. Pwr. Lt.	219,900	16	—
Sony	215,700	11⅞	+¼
Tandy	213,200	33⅞	−⅞
Commonwlth. Edison	205,000	27	+½
General Motors	204,600	45⅞	+⅞
Southern Co.	204,300	12⅞	+⅛
Unit Technol.	194,600	51⅞	+1
Texaco	186,000	26	−⅛

TORONTO

INDUSTRIAL INDEX

June 4	June 3	1975 High	1975 Low
187.52	188.25	199.68 (14/3)	139.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

June 4	June 3	1975 High	1975 Low
196.92	197.10	197.95 (14/3)	139.95 (2/1)

COMBINED INDEX

June 4	June 3	1975 High	1975 Low
190.61	190.93	191.02 (14/5)	158.02 (2/1)

JOHANNESBURG

	June 4	June 3	1974-75 High	Low
Industrials	206.4	204.2	210.3 (17/2)	153.0 (23/1)
Golds	307.7	306.3	379.1 (2/1)	285.3 (15/4)

1958=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

W'ge yield on 50 Leading Stocks	May 29	May 23	May 16
On Dividends	7.13	7.58	7.65
On Earnings	13.87	14.44	14.50

SYDNEY ALL ORD. INDEX

June 4	June 3	High 1975	Low 1975
383.55	379.65	383.55 (4/6)	288.39 (3/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

June 4	June 3	High 1975	Low 1975
325.57	322.26	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX ●

June 4	June 3	High 1975	Low 1975
330.50	328.19	336.25 (21/5)	160.42 (9/1)

SINGAPORE INDEX §

June 4	June 3	High 1975	Low 1975
235.11	237.15	268.69 (11/3)	155.36 (8/1)

EUROPE

	June 4	Previous	1975 High	1975 Low
Belg'm (a)	110.64	110.76	111.21 (15/5)	89.07 (2/1)
Denm'k (b)	90.54	90.66	90.96 (22/5)	73.08 (13/1)
France (d)	68.9	67.1	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	663.9	661.1	726.1 (16/4)	575.5 (2/1)
Holland (f)	101.1	101.8	107.6 (6/5)	85.8 (8/1)
Italy (g)	98.18	97.98	102.28 (21/2)	65.98 (8/1)
Spain (h)	101.81	102.73	110.96 (22/4)	96.98 (10/1)
Sweden (k)	367.75	367.28	376.55 (15/5)	310.5 (9/1)
Switz'rl'd (m)	268.6	269.1	295.1 (5/5)	208.3 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/56. (u) Unavailable. ● Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—100% (102¼%)

NEW YORK

CANADA

GERMANY ◆ — AMSTERDAM — AUSTRALIA — VIENNA — JOHANNESBURG — PARIS — TOKYO ¶ — BRUSSELS — SPAIN ▼ — STOCKHOLM — MILAN — OSLO ◆ — SWITZERLAND ◆ — COPENHAGEN

Steady pound

Sterling showed a relatively steady tone in the foreign exchanges yesterday, against the background of to-day's Referendum on the Common Market, the latest official reserve figures (which, published on Tuesday, showed a 10 per cent. fall, at $6.5bn.) and the rail-strike threat. The pound's trade-weighted average depreciation against ten units since the Washington Currency Agreement of December, 1971 (as measured by the Bank of England) was unchanged on balance, at 24.7 per cent., and also stood at 24.7 per cent. at noon, after having been at 24.8 per cent. in early dealings. Business was moderate. In terms of the U.S. dollar, the pound fell 20 points on balance, to $2.3180-2.3190—opening at $2.3180-2.3190, and touching $2.3210-2.3215 in the lunch period, but falling to $2.3160-2.3165 during the afternoon. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement (as calculated on noon rates in New York by Morgan Guaranty) narrowed to 7.05 per cent., from Tuesday's 7.13 per cent., while sterling's depreciation on a similar basis was barely changed, at 30.08 per cent., against 30.09 per cent.

The French franc, which has been a centre of attention in the foreign exchange market in recent days, ended with little change against the U.S. dollar in London, closing at Frs.4.00040, against Monday's Frs.4.0037½.

Gold fell back $¾ an ounce on balance in London to $164-$165, in modest business, but touched higher levels during the day—opening at $165-$166, and reaching $165½-$166½ early on.

The Krugerrand ended in places at a premium of 17½ per cent. over its gold content in domestic dealings, against 18 per cent. on Tuesday, so continuing the premium's recent downtrend, and in international dealings finished at a premium of 3⅛ per cent. against 3⅜ per cent.

EXCHANGE CROSS-RATES

June 4	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.3415-35	58 55.65	6.47 .49	5.415 .45	97.40 .50	93.95 94.10
N. York	43 62-72	—	25.00.08	2.864-857	2.3180-3190	41 65-67	40.02-12
Paris	170 255 1.25	3 994 4.004	—	11 449 .4735	9 274 .2565	166 72 .125	160.7-61.1
Brussels	14.90 .96	34 89 .96	8.71 .76	—	80 94 .14	14 55 .61	14 02 .06
London	5.425 .435	2 318 .319	9.2775-.2875	80 90 81.10	—	5 562 -5725	5.725 .795
Am'rdam	102.525-.575	2.3932-.57	59 89 .45	6 867-.872	5.6525-.75	—	96.375-.425
Zurich	106.42-.52	2.4955-.80	62 22-.45	7.142 .1575	5.785-.792	1.3 9-4.02	—

U.S.$ in Montreal, U.S.$=102.76-78 Canadian cents
Canadian $ in New York, $C1=97.30-33 U.S. cents; U.S. $ in Milan 625.00
Sterling in Milan 1446.30.

EURO-CURRENCY INTEREST RATES*

June 4 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W.German mark	Swiss franc
†Short term	8½-8½	5⅛-5⅝	4-5	2-3	4 4¼	½-1
7 days notice	8-10	5¼-5¾	6¼-6¼	2½ 3½	4½-4⅝	1¼-1⅝
Month	9⅞ 10⅝	5⅛-5⅝	7⅛-7⅝	3-6¼	4⅛ 4⅜	4-5¼
Three months	10¼-11⅛	5⅝-6⅛	7⅜ 7⅝	5⅜ 4⅛	4⅛ 4⅜	5⅝ 5⅞
Six months	11¼-12	6⅝-7⅛	7⅝-7⅛	4⅞ 5⅛	4⅞ 5⅛	4⅜-4⅝
One Year	12¼-13	7⅝-8⅛	6⅛-8⅛	5⅛-5⅞	5¼-6	5⅞-6⅛

Euro-French deposit rates: one-month 9¾-10¾ per cent.; three months 8¾-9 per cent.; six months 8¾-9 per cent.; one year 8½-8¾ per cent.

Longer-term Eurodollar deposits: two years 8½-8¾ per cent.; three years 8¾-9¼ per cent.; four years 9¼-9½ per cent.; five years 9¼-9½ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5⅞-5⅝ per cent.; three months 5 15/16-5 13/16 per cent.; six months 6 13/16-6¾ per cent.; one year 7 15/16-7 9/16 per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

FORWARD RATES

STOCK EXCHANGE REPORT

Leading industrials good, but conditions still thin

ndex up 8.4 at 1975 peak of 359.0—Properties weak

Account Dealing Dates

First Dealings	Declarations	Last Dealings	Account Day
ay 19	May 29	May 30	Jun. 10
m. 2	Jun. 12	Jun. 13	Jun. 24
m. 16	Jun. 26	Jun. 27	Jul. 8

" New time " dealings may take place m 9.30 a.m. two business days earlier.

Equity markets took a marked rn for the better yesterday on vived hopes that the outcome to-day's referendum will show clear majority for staying in the 3C. Leading Industrials met me sizeable buying on occasions d, with jobbers attempting to ep level book positions, closing ins were fairly substantial. The lk of the day's business was mpleted in the morning, but spite a slightly easier trend in e afternoon as buyers' interest aned, the closing tone was lly firm. Up 9.8 at 1 p.m., the T 30-share index ended a net 4 higher at a fresh 1975 peak of 9.0.

Activity remained at a fairly w ebb; official markings of 539 compared with 7,721 on ednesday and 6,294 a week ago. he session, however, was not ereft of features. Although not nexpected, the poor interim re- ilts from MEPC, down 17 at 8p, were well below most esti- ates and brought about a set ick in other Properties which ntrasted with the general im- ovement. Disappointing results so unsettled P and O, down 9 106p, after 104p.

Gilts mark-time

The volume of business in ritish Funds was not really suffi- ent to test the market, thus the ediums and longs remained at e overnight levels, while short- ated issues hardened slightly. greement to go-ahead with con- itutional talks without pre- nditions prompted occasional quiries for Southern Rhodesians bonds, which closed around three points higher; the 4½ per cent., 1987-92, rose that much to £30.

In a market still unreceptive even to small offerings, the invest- ment currency premium slipped back 2½ points more to 100 per cent. Yesterday's SE conversion factor was 0.5539 (0.5479).

Banks below best

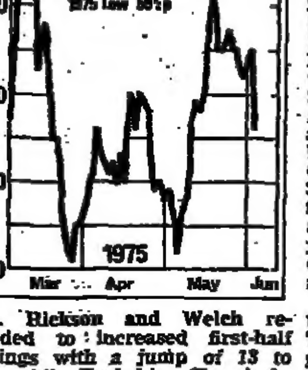
Another day of scattered buying orders in a thin market brought fresh improvements in the Home Banks but, closing levels were some way below the best. Lloyds finished 5 higher at 253p, after 258p, and National Westminster ended up 7 at 262p, after 267p, while Midland hardened to 282p after 290p, and Barclays firmed 5 to 315p, after 320. Bank of Scotland were well supported at 285p, up 10. Discounts displayed no set trend after a small busi- ness. Cater Ryder added 10 to 340p but Gerrard and National shed 5 to 290p. Merchant Banks had two firm features in Anglo- Continental, which hardened 4 to 49p, and Schroders, 25 dearer at 385p in a thin market.

A surprise £20m. "rights" issue announced at the start of business by Phoenix failed to take the limelight away from dealings in the Sun Alliance and Prudential "new" nil-paid shares, which once again dominated proceedings in Insurances. SA "new" touched 120p before closing 7 higher on balance at 116p, while the old improved 6 more to 430p; Pru "new" ended 2 better at 24p premium, after 28p premium; the old added a similar amount to 129p. Marked down to 228p on the "rights" news, Phoenix rallied to close a net 4 better at 234p.

Leading Breweries made only modest improvements. Elsewhere, Distillers closed a shade below the day's best at 146p, up 4. Teacher (Distillers) advanced 8 more to 160p in a restricted market, while Tomatin improved 3 to 60p.

Hewden-Stuart Plant rose 5 more to 60p, awaiting the chair- man's annual statement. Aberdeen Construction improved 4 to 52p on the chairman's encouraging statement. AP Cement, 155p, and Redland, 90p, put on 3 apiece, while London Brick closed 2½ bet- ter at 51½p. R. M. Douglas were supported up to 54p, a rise of 6. Timbers had International 4 up at 98p and Southerns-Evans 5 better at 83p.

ICI led Chemicals higher with a gain of 9 to a 1975 peak of



296p. Rickson and Welch re- sponded to increased first-half earnings with *a jump of 13 to* 250p, while Yorkshire Chemicals, 94p, and Fisons, 409p, put on 6 and 10 apiece. Carless Capel hardened 2 to 59p *following Press* comment and Alida Packaging, ahead of to-day's results, moved up 4 to 84p. Stewart Plastics were *6 higher at 51p.*

Brocks Group became a dull feature in Electricals following news that the merger talks with Standard Telephone and Cables had been broken off; the shares fell to 46p before closing 10 easier on the day at 53p. Elsewhere, EMI, 193p, and BICC, 128p, put on 4 apiece, while Plessey finished 3 better at 79p. United Scientific, still reflecting the interim report, picked up 3½ more at 52p. Thorn Electrical remained popular, the Ordinary and "A" both closing 6 higher at 168p, after 172p. Jones Stroud were raised 6 to 49p, while Dreamland, 32p, Fidelity *Radio, 41p, and Comet Radiovision,* 40p, were all around 3 better. Philips Lamp contrasted with a fall of 26 to 822p.

Stores closed on a firm note following a reasonable two-way business. Marks and Spencer, 249p, and British Home Stores, 367p, put on 7 apiece, while "Gussies" "A" hardened 4 to 202p. Allied Retailers continued in demand, rising another 6 to a *1975 "high" of 74p. Henderson* Kenton were 3 better at 27p, while other firm spots took in S. and U. Stores, 1½ firmer at 10p, and *Dixon's Photographic*, 2 better at 28p. Mail Orders made modest headway, Freemans (London) and Grattan Warehouses both closing 3 harder at 174p and 83p respec- tively. Dealings in Mace Rainbow and Stone, 5p, were suspended yesterday at the company's re- quest pending the appointment of a receiver.

Leading Engineerings returned to prominence, Hawker, 296p, and Tube Investments, 306p, each gaining 8, while GKN rose 6 to 263p, after 265p. Vickers advanced 6 to 145p helped by an invest- ment recommendation, but John Brown were unable to make any recovery after Tuesday's slump of 41 and stayed at 77p. News of the good start to the year stimulated *John Folkes Hefo* non-voting, 2½ dearer at 19p, but the profits warning lowered Francis In- dustries 2½ to 27½p. Selling on an unreceptive market took its toll of Marryat, which closed 5 down at 15p. Swan Hunter, in Shipbuild- ings, were unaffected by the assets revaluation, cheapening slightly to 77½p, but Vosper found support and gained 4 to 68p.

Tate and Lyle featured firm Foods with a rise of 11 to 270p. Cavenham improved 7 to a 1975 peak of 147p, while Brooke Bond closed a penny harder at 43½p and Spillers 1½ firmer at 44½p. Rown- tree Mackintosh gained 4 to 151p, *while Supermarkets had Tesco 2½* better at 51½p.

Reo Stakis continued firmly, rising 2 more to a 1975 peak of *23½p. Ladbroke were finally 4 up* at 175p, after 176p, while Savoy Hotel "A," 24p, and J. Lyons "A," 168p, put on 3 and 6 respectively.

Johnson Matthey up

Confidence returned to the mis- cellaneous industrial leaders on the eve of the EEC referendum vote and fresh speculative buy- ing, some of which was sizeable, left many substantial gains. Glaxo *were prominent, rising 14 to a* 1975 "high" of 439p, while Bowater gained 7 to 177p, also a year's "peak." Reed International rose 8 to 288p and improvements of 10 were seen in Unilever, 406p, and Metal Box, 301p. Reckitt and Colman gained 7 to 338p. Else- where, further buying in antici- pation of next Tuesday's results prompted a jump of 16 to 345p in Johnson Matthey. Press comment on the better-than-expected re- sults helped De La Rue firm 8 more to 189p, for a two-day gain of 22. Rises of 6 were seen in James Finlay, 153p, and Foseco Minsep, 181p, while Incledon and Lamberts (results due June 20) hardened 4 to 46p. Up 6 on Tues- day on the chairman's bullish statement, Hestair, in "ex-rights" form, hardened 2 more to 64p, while the "new" nil-paid shares closed at 41p premium.

Motors made a fairly bright showing, although buyers con- tinued to show caution in light of the industry's problems. Rolls- Royce hardened a penny to 65p, while Dunlop gained 2 to 54p, and Lucas Industries recovered 5 to 117p. Associated Engineering re- mained a firm market at 60p, up 2½, while the new nil-paid shares advanced similarly to 17½p pre- mium. Dowty were favoured at 113p, up 5, while in Garages, Pride and Clarke made fresh headway to a 1975 peak of 136p, up 7, and BSG International improved a penny to 11p.

McCorquodale were again dom- inant in *Paper/Printings, rising* 13 more to 186p, after 188p, in further recognition of the strong first-half achievement. Bunzl *Pulp also came good at 96p, up* 5, while Waddington "B" improved 4 to 96p and Oxley Print recovered 2 to 11p. Fresh consideration of the final dividend omission and lower profits, however, took 4 fur- ther off Culter Guard Bridge at 17p. Newspapers had firm features in Thomson, 5 higher at 207p, after a peak for the year of 210p, and Pearson Longman, which gained 3 to 88p.

MEPC fears confirmed

MEPC's interim results and passing of the interim dividend justified recent market fears, causing fresh nervousness in selected Properties. Ahead of the announcement, bear covering had brought a recovery tendency but this evaporated completely and the close was the day's lowest. MEPC dropped 17 further to 128p, while Land Securities, which had earlier reached 196p, closed 5 down on balance at 181p. Amal- gamated Investment settled 1 off at 49p, after 53p, and English similarly cheaper at 86½p, after 90½p. Of the few exceptions to the trend, Haslemere Estates rose 6 to 226p.

Oils went higher with the general trend, although business was generally smaller than of late. British Petroleum closed a shade off the top at 530p, up 8 further, while Shell regained 5 to 332p, after 334p. The persistence of unconfirmed reports of an oil find encouraged fresh support of Ultramar, which rose 8 to 216p, while Gas and Oil Acreage jumped 40 to 165p in a restricted market; the latter are to call up a further 25p per share in order to finance their drilling programme. Austra- lians were dull with Associated Australian down 8 at 150p and Weeks Natural Resources 4 off at 70p.

P & O Deferred were a casualty in Shippings, closing 9 lower at 106p, after 104p, in response to *the poor interim results. Furness* Withy, however, attracted fresh speculative support and rose 6 to a 1975 "high" of 228p, while buy- *ing of a similar nature in belated* response to Tuesday's news that the Panamanian concern had in- creased its stake in Reardon Smith *helped the last-named to put on* 20 to 460p and the "A" to rise 10 to 228p. Felixstowe Dock gained *7 to 92p, while the chairman's en-* couraging statement left Walter Runciman 2 better at 108p.

Some useful gains were seen in Trusts. Companies involved in the reorganisation of Sir Denys Lowson's empire were once again popular. Melboure and General put on 12 to 162p and First Re-investments, 275p, and Nelson Financial, 425p, both added 10. Financials also displayed several firm features. Buyers came for Edinburgh Industrial which rose 4 to 13p, while S. Pearson gained 6 to 120p and Lubok Investments improved 2½ to 41p. Inchcape rallied 5 to 387p.

Textiles met scattered buying interest. Courtaulds put on 4 to 136p, while Hollas Group con- tinued firmly, rising 3 more to 34p. Sidlaw gained a similar amount *to 70p and rises of 2 were* seen in Lister, 48p, and Notting- ham Manufacturing, 66p.

Tobaccos made headway with *Bats improving 5 to 335p and Imps* 3 to 61p.

A firm market of late follow- ing good preliminary results, Consolidated Tea and Lands advanced 5 more to a 1975 "high" of 170p in quietly firm Teas.

Charter jump

The feature of the Mining Finance section was Charter Con- *solidated which jumped 15 to* 193p following the rise in profits and dividend. Also good were Anglo-Vaal, with a gain of ½ to *£18 and* Selection Trust which put on 15 to 695p, both prices be- ing highs for the year. Rand Selection were *unchanged at £10½* in front of the half-year results which are due to-day.

Very quiet trading was reported in shares of the gold producers. Prices were little more than steady, while after an earlier modest recovery the bullion price closed 75 cents down on the day at $164.50 an ounce.

The Gold Mines index rose 1.2 to 414.4.

Of the scattered movements in share prices, Hartebeest rose ½ to £28½ while West Rand Con- solidated lost 30 to 380p. Deelkraal gained 5 to 345p; the recent offer of shares to holders of Gold Fields of South Africa received a 99.3 per cent. acceptance.

In Diamonds, a revival of de- mand lifted De Beers 12 to 298p. Platinums were quietly steady. Tanganyika Concessions enjoyed a persistent investment demand which raised the price to a new 1975 high of 227p before it closed 11 up at 225p.

In contrast to the firmness in markets Down-Under, Australian issues drifted lower here on small offerings. Among the widespread losses, Thiess came back 14 to 234p while Peko-Wallsend fell 10 to 325p and BH South were 8 down at 222p.

Tins were occasionally dam- pened by profit-taking with Southern Malayan giving up 6 at *174p and Malayan 5 at 215p.* Tronoh (91p) were unchanged fol- lowing the chairman's statement. Elsewhere, Murchison lost 20 to 720p.

FINANCIAL TIMES STOCK INDICES

—	June 4	June 3	June 2	May 30	May 29	May 28	A year ago
Government Secs.	58.26	58.35	57.98	57.84	57.90	58.14	59.48
Fixed Interest	58.16	58.13	57.99	57.96	57.95	57.88	58.39
Industrial Ordinary	359.0	350.6	358.1	345.1	348.5	346.6	283.9
Gold Mines	414.4	413.2	410.0	429.0	425.2	430.7	320.3
Ord. Div. Yld. %	5.53	5.67	5.82	6.04	5.94	5.97	6.97
Earnings Yld.%(full)(a)	16.89	17.29	17.34	18.00	18.02	18.10	17.90
P/E Ratio (net) (a) (b)	8.39	8.19	8.18	7.88	7.85	7.81	7.90
Dealings marked	7,539	7,721	6,295	6,340	6,090	6,294	†6,018
Equity turnover £m.	—	75.59	70.29	77.36	71.16	57.89	41.42
Equity bargains total	—	20,781	19,848	19,414	16,816	16,152	11,492

10 a.m. 353.4 11 a.m. 330.7 Noon 360.1 1 p.m. 360.4
2 p.m. 358.3 3 p.m. 358.9.
* Latest index 01-246 8026. † Excluding regional exchanges.
(a) Based on 52 per cent. corporation tax. (b) Nil=8.33.
Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	359.0 (4/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	June 4	June 3
Daily—		
Gilt-Edged	135.9	158.0
Industrials	259.1	255.8
Speculative	65.3	73.4
Totals	171.6	175.7
5-day Av'ge		
Gilt-Edged	131.6	127.0
Industrials	230.9	225.1
Speculative	75.4	81.3
Totals	154.7	149.0

FT—ACTUARIES INDICES

—	June 4	June 3	June 2	May 30	May 29	May 28	A year ago
Industrial Group	141.96	139.42	138.89	135.38	136.27	137.96	113.71
500 Shares	154.93	152.21	151.70	147.43	148.28	149.91	123.02
Div. Yield pc	5.66	5.76	5.78	5.95	5.93	5.86	6.63
P/E Ratio (net)	7.59	7.46	7.42	7.21	7.19	7.26	7.39
All Share	152.84	150.39	149.68	145.31	146.46	148.27	120.14
Consols yield pc	14.63	14.68	14.73	14.93	14.92	14.92	13.73

UTHORISED UNIT TRUSTS

				Yield %
(g) Abacus Arbuthnot Ltd.				
Fountain St., M/C. 061-236 9775/8				
...lants	33.5	35.3	—	4.30
...lants Accum	34.9	36.8	—	4.30
Growth Units	30.2	32.0	+0.2	4.30
Growth Accum.	31.6	33.4	+0.2	4.30

				Yield %
(a) (g) The Crescent Group				
Crescent Unit Trust Managers Ltd.				
4, Melville Cres., Edinburgh 3. 031-226 4931				
81, Fountain St., Manchester. 061-236 5685				
Crescent Growth	19.1	20.2	+0.4	4.73
Cres. Internat'l	39.3	42.1	—	2.09
Cres. High Dist.	34.4	36.9xd	+0.7	6.96

				Yield %
(a) (c) Lawson Securities Ltd.				
63 George Street, Edinburgh. 031-226 3911				
Scots Resources*	71.0	76.0xd	—	3.70
Accum. Units*	71.9	76.9xd	—	3.70
Gilt & Warrant ††	28.6	30.5	—	1.74
High Yield**	108.4	116.4	—	13.30
Accum. Units**	117.6	125.8	—	13.30

				Yield %
(a) (z) Pearl Montagu T. Mgrs. Ltd.				
114, Old Broad St., EC2P 2YH. 01-588 6464				
P & M Growth Fd.	18.9	20.4	+0.4	4.05
(Accum. Units)	20.7	22.3	+0.5	4.05
P&M Income Fd.	22.7	24.5	+0.4	7.02
Pearl M'ntgu Tst.	28.0	30.2xd	+0.6	4.44
(Accum. Units)	32.8	35.3	+0.7	4.44

				Yield %
(a) (g) Slater Walker Tst. Managmt.				
Assets Trust	54.2	57.9	+1.8	6.61
Capital Acc.	37.6	40.3	+0.6	4.70
Cap. Growth	29.7	31.9	+0.4	5.60
Century	40.8	43.9	+0.8	4.14
Far East	20.2	21.8	—	3.47
Financial Trust	37.6	40.3	+1.0	3.93

[INSURANCE, PROPERTY, BONDS PRICES PAGE 39]

OFFSHORE AND OVERSEAS FUNDS

				Yield %
Albany Management Co. Ltd.				
P.O. Box 1548, Hamilton, Bermuda.				
Albany Fd. Ltd.	$6.10	6.55	—	—
Australian Selection Fund N.V.				

				Yield %
Free World Fund Limited				
Butterfield Building, Hamilton, Bermuda				
NAV Apr 30	US$152.62		—	—
G.T. Bermuda Ltd.				

				Yield %
Murray Johnstone (Inv. Adviser)				
163, Hope St., Glasgow, C.2. 041-221 5521				
*Hope Street Fund	US$21.00		—	—
†Murray Fund	US$6.13		—	—
*NAV May 15. †NAV April 30.				

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98¾	90¾	Savings 3pc 65-75‡‡	98½	.....	3.04	9.49
99½	94½	Exch 6½pc 1976‡‡	98½	.....	6.62	9.09
97¼	92½	Treasury 6½pc 1976‡‡	97½	.....	6.69	9.06
99	97	Victory 4pc 1976‡‡	99	.....	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	101¼xd	−⅛	10.37	9.64
95	86½	Treasury 6½pc 1977‡‡	94½	.....	6.61	9.63
91¼	86¼	Electric 3pc 74-77	91¼	+⅛	3.29	8.37
103½	90¾	Treasury 11¼pc 1977‡‡	102⅛	−⅛	11.24	10.31
88¼	84	Treasury 3pc 77‡‡	86¾xd	.....	3.45	9.07
88¼	84⅛	Transport 4pc 72-77	88½xd	.....	4.51	9.11
96⅞	90½	Treasury 9pc 1978‡‡	95⅛	+⅛	9.45	10.90
96⅞	93¼	Treasury 9pc 78 'A'‡‡	95⅛	+⅛	9.45	10.91
100¼	96⅝	Treasury 10½pc 78‡‡	98⅛	+⅛	10.66	11.08
87½	79	Exchequer 5pc 76-78‡‡	85⅝	.....	5.84	10.22
103	94¼	Treasury 11½pc 79‡‡	101⅛	.....	11.36	11.06
79¾	72½	Treasury 3pc 79‡‡	77½	.....	3.86	9.42
81	73⅞	Electric 4¼pc 74-79	79⅝	+⅛	5.34	10.19
100¼	96	Treasury 10½pc 79‡‡	98½	+⅛	10.65	10.91
79¾	71	Electric 3½pc 76-79	77⅝	.....	4.51	9.82
95	84	Treasury 9pc 1980‡‡	93⅛	+⅛	9.66	10.85
		Five to Fifteen Years				
79	68¾	Treasury 3½pc 77-80	75½xd	.....	4.64	9.79
84½	71	Funding 5½pc 78-80‡‡	79½xd	.....	6.58	10.53
75½	66½	Treasury 3½pc 79-81	73¾	.....	4.84	9.98
91½	72½	Do 8¼pc 80-82‡‡	89½	.....	9.86	11.52
104½	86¾	Treasury 12pc 1983‡‡	102½	+⅛	12.07	12.08
78	58	Funding 5½pc 82-84‡‡	73½	.....	7.72	10.68
85¾	61¾	Treasury 8¼pc 84-86‡‡	78¼xd	.....	10.75	11.96
75¾	51½	Funding 6½pc 85-87‡‡	67⅝	.....	9.74	11.75
76¼	55	Treasury 7¾pc 85-88‡‡	72	.....	11.19	12.69
44½	32½	Transport 3pc 78-88	41½xd	.....	7.23	11.97
55¾	39¾	Treasury 5pc 86-89	50⅝	.....	10.01	12.63
		Over Fifteen Years				
75½	53¾	Treasury 8¼pc 87-90‡‡	67xd	.....	12.27	13.36
55¾	41½	Funding 5¾pc 87-91‡‡	51½	.....	11.37	13.30
97½	89½	Treasury 12½pc 93‡‡	90¾	.....	14.30	14.48
54½	40½	Funding 6pc 1993‡‡	49½	.....	12.09	13.89
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 70¾% (based on $2.3205 per £)

CANADIANS

S.E. List Premium 70¾% (based on $2.3205 per £)

Conversion factor 0.5530 (0.5479)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

TRUSTS—Continued

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
86	56	Botswana RST P2	78	......	—	—	—
390	196	Messina R0.50	350xd	+5	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8	3	Burma Mine 17½p	8	......	m0.5	—	1.7
56	17	Charterhall 5p	47½	−1	—	—	—
115	75	Colby Mines $1	75¢	......	—	—	—
760	360	Cons. Murch. 10c	720	−20	Q130c	2.2	11.6
53½	29½	Lonrho	37½	−1½	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	300	−15	Q65c	1.0	9.4
211	80	R.T.Z.	202	+6	19.9	4.4	3.8
135	47½	Sabina Inds. C$1	105	−3	—	—	—
70	51	Stanford Mines $1	62	......	—	—	—
£12½	875	Tara Expln. $1	£11½	+⅛	—	—	—
75	38	Yukon Cons C$1	65	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ▲ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ♦ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1973 profits.
- § Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.
A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 29

FINANCIAL TIMES
Thursday June 5 1975

Saudi debate on oil output

BY RICHARD JOHNS

AN INDICATION of the growing debate within the Saudi Arabian ruling hierarchy on oil production levels was given by Sheikh Hisham Nazar, Saudi Minister of State for Planning, in London yesterday.

The expenditure target for the 1975-80 five-year plan of $142bn.—calculated, like oil revenue, in current prices—would imply a production of some 8m. barrels a day.

But Sheikh Nazar said at a Press conference that the blueprint was based on the assumption of a "level of oil production for the first year of 5m. b/d, rising at the end of the plan period to 7m. b/d."

A rate of 8m. b/d is generally considered to be the minimum required to satisfy the consuming countries' needs and to curb upward price pressures resulting from a shortfall in supply. This contradiction may be seen as a reflection of policy differences yet to be resolved within the Saudi regime.

Outlining the ambitious plan, Sheikh Nazar said that of the total $142bn., 63 per cent. ($89bn.) was being appropriated for economic and social development, 8 per cent. administration —or current spending—and 11 per cent. ($11bn.) for aid.

The 23 per cent. allocated for education "shows the emphasis the Government is putting on manpower." The Saudi Minister also confirmed that the plan foresaw the need to increase the number of skilled and semi-skilled expatriates in the Kingdom by nearly 500,000, to 812,000.

Sheikh Nazar, who is in London primarily on a private visit, lunched with Mr. Denis Healey, the Chancellor of the Exchequer, yesterday. He described him as "an old friend" following Mr. Healey's visit to Saudi Arabia last year. Sheikh Nazar will be returning to the U.K. next month for discussions on possible British participation in the Saudi plan.

In coming months the level decided on in Saudi production policy will be of critical significance as other OPEC members press for a co-ordinated production programme to support prices on the market. This subject may be the major topic at the OPEC conference being held in Libreville, Gabon, next week.

Formulation of a successful co-ordinated plan depends on Saudi Arabia, which is the "balancing factor" with an output and capacity well beyond its ability to absorb revenue at present.

It remains unclear just how Saudi Arabia will compromise between its own revenue needs and the oil requirements of its customers. It seems certain, however, that the Kingdom will find it difficult to spend as much as half the $142bn. target—which could be regarded as a statement of intent—domestically and in the form of aid.

As Sheikh Nazar was ready to admit, the actual disbursement of money is likely to fall short of the objective, although "no one is going to say that the Government of Saudi Arabia is not going to do its utmost." But given the fact that the calculations are in terms of current prices—with no allowance for inflation or the almost inevitable oil price increases by OPEC to compensate for it—the arithmetic provides an illuminating insight into the Saudi dilemma.

With a per barrel revenue of $10, an output of 8m. b/d would be required to give an income of $140-150bn. An average of between 5m. and 7m. b/d would provide about $110bn.

Secret talks in bid to avert rail strike

BY JOHN WYLES, LABOUR REPORTER

MOVES to avert the threatened national rail strike from June 23 began yesterday with a series of secret meetings involving the TUC, the British Railways Board and Mr. Sidney Weighell, the National Union of Railwaymen's general secretary.

At the same time, the first major support for the NUR from another union came yesterday when the Union of Post Office Workers promised backing which will severely disrupt the postal service if the rail strike goes ahead.

In a day of hectic activity Mr. Weighell combined his efforts to make the strike bite as hard as possible with informal discussions seeking a way out of the deadlock. In the morning he briefed Mr. Len Murray, TUC general secretary, on the NUR's position, and later had a secret meeting in a London hotel with Mr. Bert Farrimond, BR's Board member for industrial relations.

Details of these talks will be reported by Mr. Weighell to a special meeting of his national executive to-day, and while no early peace bid is expected, both Mr. Murray and Mr. Farrimond will be pondering possible initiatives following their separate talks with the NUR leader yesterday.

At both meetings Mr. Weighell is believed to have stressed his executive's determination to secure basic rate rises substantially higher than the 27.5 per cent. awarded last week by the Railway Arbitration Tribunal.

Since BR is adamant that it estimated at well over £100m., estimated at wel lover £100m. of satisfying the NUR's demand for rises of up to 35 per cent., Mr. Farrimond was looking for indications from Mr. Weighell yesterday that the NUR would be prepared to scale down its demands.

The delicate sounding-out of each other's position may well continue over the next few days, before both sides decide whether full-scale negotiations would be worthwhile. In these early stages, however, the NUR executive is likely to stand by its demand for assurances that BR will move towards satisfying the union's claim for a new basic rate of £34.65 a week before it agrees to fresh talks.

The tribunal recommended a new railman's basic rate of £32.70, coupled with a minimum earnings guarantee of £36.70 a week. This has been rejected by the NUR partly because of its potential effect on differentials.

Mr. Weighell's contacts yesterday with other union leaders resulted in a pledge of support from Mr. Joe Gormley, president of the National Union of Mineworkers, and a promise from Mr. Tom Jackson, the postal workers' general secretary, of supporting action which would cripple postal services if the rail strike went ahead.

Mr. Jackson said last night he would recommend his national executive to take "stronger action than ever before" in a rail strike. UPW members in sorting offices would refuse to handle letters or parcels delivered by non-Post Office vans, or to run extra deliveries themselves.

"This means that there will only be a local postal service," said Mr. Jackson, who claimed that he did not want the UPW "to stand by and watch a union be used as an example to other unions."

Meanwhile, the NUR's isolation over the pay issue was underlined yesterday when the annual conference of the locomen's union, the Associated Society of Locomotive Engineers and Firemen, endorsed their executive's acceptance of the arbitration award. The award has also been accepted by the third rail union, the Transport Salaried Staffs Association.

● Some NUR guards on the Southern Region yesterday staged a brief strike over a disciplinary problem. Train services between Orpington and London were disrupted for a time, but returned to normal by mid-morning.

Europe flights resume

BY CHRISTIAN TYLER, LABOUR STAFF

BRITISH AIRWAYS hopes to restore nearly all its European and domestic flights out of Heathrow airport, London, to-day, with full resumption likely by to-morrow.

This follows yesterday's decision by a mass meeting of 550 ground engineers on strike to accept the promise of negotiations on "flexibility" payments, and to start returning to work overnight.

The men were due to start repair work on about 30 of the 56 European division aircraft grounded at Heathrow by the week-long strike.

Cancellations up until last Sunday night and the subsequent grounding of the division has cost the loss-making airline an estimated £1.5m. after deducting savings in fuel, wages and commission for transferring about 10,000 passengers a day to other airlines.

Shop stewards recommended a return to work when British Airways dropped its insistence that any flexibility payment for the 700 European division maintenance men must not spread to the rest of the 11,000 British Airways engineers at the airport.

Now all groups in the engineering and maintenance official negotiating panel can advance claims similar to that put forward by the strikers, who wanted more money for checking the recently-acquired TriStars.

But yesterday Mr. Henry Marking, British Airways managing director, said it had to be made "crystal clear to all concerned" that the payments must be self-financing. The work would have to be done by fewer people, but there would be no redundancies, only natural wastage or voluntary redeployment.

"The agreement can represent an important breakthrough towards greater efficiency and productivity in British Airways," he said.

British Airways is already engaged in a voluntary redeployment programme with the unions —involving everyone from manual workers to pilots. Earlier this week Mr. Marking set a deadline of to-morrow for the filling of 290 "vital jobs," warning that redundancies would follow if men did not put their names forward.

The industry's national joint council will meet to-night to start negotiations on flexibility pay for engineers. It must also discuss the redeployment agreement shortly, following Mr. Marking's statement that the management is "bitterly disappointed" at the lack of progress.

One consequence of this latest dispute at the airport has been to reinforce the authority of the national negotiating machinery at least from the unions' point of view.

Faced with a sectional claim, which the airline was only prepared to consider if payment was strictly confined, the union officials have succeeded in bringing it back into the official forum, covering all 11,000 engineers, where it was already under discussion.

For its part, British Airways clearly believes that the cost of a deal—possibly running into hundreds of thousands of pounds a year—can be offset by greater productivity.

£20m. rights issue by Phoenix

BY STEWART FLEMING

PHOENIX ASSURANCE yesterday announced a £20m. rights issue to shareholders, the biggest since the Prudential asked its shareholders for £46m. on May 7.

The issue comes after two weeks in which the steady flow of new issues since February had slowed noticeably, largely as a result of uncertainty in the Stock Market in the pre-Referendum period.

It is now anticipated by stockbrokers in the new issue market that the pace will quicken again if the opinion polls predictions of a comfortable majority in favour of continuing membership of the Common Market are proved correct. It seems that the earliest date now available for an issue is in August.

The Phoenix is the fifth major insurance company to raise new capital through a rights issue since Commercial Union Assurance raised £62.5m. in September of last year. Together these companies have taken £195m. of the new funds raised for corporations

To some extent the reasons which the Phoenix presents to explain its decision are similar to those advanced by other composite insurance companies. The company says that in view of the recent wide fluctuations in the market values of its assets, and the expected increase in general business premiums as a result of inflation, the directors consider it prudent to raise new capital.

It also cites as an element in its calculations the regulations which the Department of Trade is now introducing governing the extent to which certain assets can be included for the purpose of assessing an insurance company's statutory solvency margin.

While these factors can all have the effect of reducing the solvency margin, the Phoenix points out that in spite of the sharp reduction in asset values of investments during 1974, the company was able to maintain an adequate margin of reserves in relation to its general premium income.

At the end of its last financial year to December 31, 1974, the company had a solvency margin on general business of 27 per cent. With the subsequent rise in asset values this has reached around 50 per cent. and the rights issue proceeds will raise it to around 60 per cent.

Together with the news of the rights issue the company released its first quarter trading figures showing a fall in profits before tax from £3.6m. to £2.9m. The major factor affecting the downturn was a deterioration in short-term underwriting results with a profit of £205,000 for the first quarter of 1974 being transformed into a loss of £2.5m. for the same period of 1975.

First quarter results Page 28

Pension funds may act over Coats

BY STEWART FLEMING

INFLUENTIAL pension fund managers are examining whether to campaign to persuade Coats Patons, the textile group, to reverse its decision not to pay a final dividend.

Such a campaign, even if it failed, would probably make it less likely that the Coats Patons' decision, taken to conserve cash and reduce the company's tax liabilities, will have set a precedent.

Thirty representatives of the Coats Patons institutional shareholders met Mr. C. W. Bell, the chairman, in London on Tuesday. Mr. Bell is understood to have turned down firmly suggestions from some of them that the company should reverse its decision.

He also rejected a compromise proposal that the shareholders should be allowed to decide the question for themselves, at the annual meeting.

Yesterday Mr. Bell met with representatives of the company's institutional shareholders in Scotland—Coats Patons is based in Glasgow—to explain the decision to them.

Accounts

Meanwhile some pension fund managers are assessing the extent of opposition to Coats Patons' decision among pension fund managers not at the meeting, and among other institutions.

It is also intended to wait until the accounts are posted on June 17 to be sure that the company intends to stick to its decision.

One influential pension fund manager suggested yesterday that, assuming adequate support, shareholders might carry the issue to the annual meeting. If this decision were to be taken the implications of an attempt to persuade shareholders to reject the re-election of certain directors or the accounts themselves would have to be examined.

Steel men stand firm on 30% claim

By John Wyles, Labour Reporter

LEADERS OF 75,000 British Steel Corporation process workers stood firm yesterday on their 30 per cent. pay claim during day-long negotiations which were adjourned last night without an offer having been made.

A new attempt for an agreement with the Iron and Steel Trades Confederation will be made on June 23, but the BSC held out little promise of meeting the 30 per cent. claim, which also includes a demand for future rises linked to increases in the cost of living index.

Starting annual negotiations only a fortnight after the unions had pressed the BSC into abandoning plans for 22,000 redundancies, the employers stressed their financial difficulties which point to an estimated £200m. deficit for the current financial year.

Much of the talks was dominated yesterday by an ISTC proposal to combine negotiations for its 28,000 white-collar members, whose normal payment date is December, with that of the manual workers, whose agreement expired on June 1.

But the union rejected a BSC suggestion that the manual workers agree to a seven-month deal to bring their payment date into line with the staff.

If these negotiations drag-on, the BSC may face a new leader of the National Craftsmens' Co-Ordinating Committee—Mr. Les Dixon, the Communist Party member of the Amalgamated Union of Engineering Workers' national executive. Mr. Dixon will be joining the NCCC following the election of Mr. John Boyd, as the AUEW's general secretary.

THE LEX COLUMN

P. & O. lowers its sights

In March, P & O was not expecting "any breach of the new base level of profitability established in 1973" which was £34.2m. Now it says that profits in the six months to March were all but halved to £13.6m., and that the current 15-month accounting period will only produce something like £34m. By contrast, profits in 1973-74 totalled £48.5m., after over £6m. of non-recurring write-offs.

Since 1972-73, moreover, the group has acquired Bovis—which is currently running at an annual rate of roughly £9m. It has started to consolidate substantial profits on ship sales, worth £3m. in the latest six-month period. And it has changed the accounting treatment of its general cargo division, inflating the latest figures by £1.3m.

Bulk shipping, apparently, is not doing any worse than expected, but recovery hopes have been deferred. The spot tanker exposure is small, although cost pressures are squeezing existing charters and the future of four ULCC's, ordered by the group and its Anglo Nordic associate for delivery in 1977, is currently under discussion with the Japanese builders. The passenger division has run into trouble in Australia, and the European and air transport group have caught the blast of U.K. recession. A measure of the decline in these areas is that the general cargo side, which made up two-fifths of last year's operating profits, is still holding up well.

In addition, Overseas Containers is moving back sharply and Anglo Nordic has roughly halved to about £2m.: the result is a £4.9m. fall to £6.4m. in the associates.

None of this threatens the dividend yield of 7.2 per cent. But the gearing is still rising with net cash flow of maybe £50m. over the period and spending nearer £100m. The shares fell 9p to 106p yesterday, and a market capitalisation of £150m. presents no great bargain.

See also Page 30

MEPC

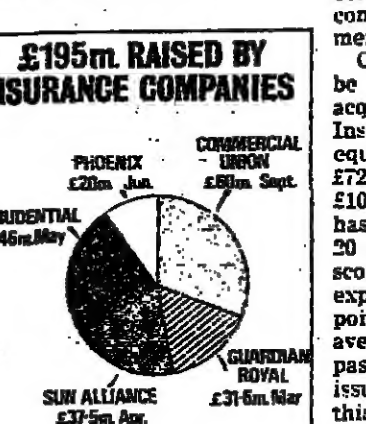
Speculation about MEPC's interim figures has made the property sector jittery over the last few weeks, and the results are fully as bad as had been feared —a loss after tax of £1.55m.; against a profit of £4.2m. and no dividend. The key is the more conservative treatment of development interest—now capitalised only on projects

Index rose 8.4 to 359.0

"actively" under way. This change reduced half-year profits by over £3m. and is bound to raise questions about the accounting and dividend policies of the many other companies with a less conservative approach.

MEPC has also made provisions of £964,000 on debts in Belgium and £530,000 on dealing properties, while below the

£195m. RAISED BY INSURANCE COMPANIES



line, £1.87m. has been allowed against possible losses in Australia, less than a tenth of total assets. The worst could now be over there, but in Belgium, following the failure of the guarantor of the Manhattan Center, the group faces an annual shortfall of nearly £1.5m. as long as the block is only two-fifths let. Back in the U.K., however, there should be a £1.5m. benefit in the second half from the end of the rent freeze.

The group, of course, still has one of the stronger balance sheets in the sector: total assets have risen by £20m. to about £715m. since September and there has been a similar rise in debt to roughly £370m. About £150m. of the assets are developments—roughly half of which should be completed within the next couple of years —requiring further spending of possibly £30m. worldwide in the next 18 months. But these strengths and the hope of some kind of final dividend may not be sufficient to end the recent weakness in the share price—down 17p to 128p last night, and 45 per cent. below the year's high. Moreover, the fact that a company of MEPC's size and type has produced these figures is not going to help the sector —already 17.5 per cent. below its 1975 high—and likely anyway to be apprehensive ahead of Land Securities' revaluation in a fortnight.

See also Page 30

Phoenix

The £20m. rights issue from Phoenix means that over half the major composite companies have now called on their shareholders for more cash. In this case, the issue will take the solvency margin up from 50 to nearer 60 per cent., and most shareholders will be happy enough to follow the Continental and the Friends' Provident, which seem just about certain to subscribe for their combined 36 per cent entitlement.

Clearly there are questions to be asked about last autumn's acquisition of Century Insurance, which increased the equity by 15 per cent., has £720,000 on premium income of £10m. in the first quarter, and has a solvency margin of about 20 per cent. But there is clear scope for reducing its expenses, while Phoenix can point to the success of its above average expansion rates in the past. And of course the rights issue has nothing to do with this acquisition.

Moreover the £2.7m. deterioration reported in the group's first quarter underwriting performance is no indication of this year's trend, for the period takes in further heavy reserving on U.K. liability business. Overall underwriting losses could be a little lower than 1974's £7.2m. and a pre-tax profits gain of a half or more from last year's £10.7m. is still possible. The ex-rights yield is 5½ per cent.

See also Page 29

Croda/Midland

Last Friday between 12.0 and 3.0, when Croda's offer for Midland-Yorkshire closed, an institution bought a parcel of MY shares and immediately assented them to the bid on the basis that they had represented a cheap way into Croda. The parcel took Croda over the 5 per cent. mark, MY's appeal to the Panel was apparently based on the suggestion that the institution should be deemed to have acted in concert with Croda in which case the cash offer to all shareholders should be increased to whatever the institution paid. But the Panel has rejected what always looked a rather tenuous appeal: its full statement will appear in a few days' time, and some further guidance on what is meant by acting in concert is to be hoped for.

See also Page 28

Weather

U.K. TO-DAY

S. AIRSTREAM. Cloudy, rain in most areas, becoming dry with some sunny intervals in E. Dry, some sun, becoming cloudy in extreme N. Scotland, Shetland.

London, E. Anglia, Midlands, Channel Is., S.E., Cent. S and E. England

Cloudy, some rain, sunny intervals later. Wind S., moderate. Max. 19C (66F).

S.W. England, Wales

Cloudy, some rain or drizzle, hill and coastal fog. Wind S., moderate or fresh. Max. 17C (63F).

N.W., N.E. and Cent N. England, Lakes, I. of Man, Argyll, N. Ireland, SW. Scotland

Cloudy, some rain, hill fog. Wind S., moderate. Max. 16C (61F).

Borders, Cent. Highlands, N.W. Scotland, Edinburgh, Dundee, Glasgow, Aberdeen

Dry, bright, some rain later. Wind S., moderate. Max 13C (55F).

Orkney, Shetland, Moray Firth, N.E. Scotland

Dry, sunny intervals, cloudier later. Wind S., light. Max 9C (48F).

Outlook: Dry, warm in E. at first, thundery rain spreading to most areas.

Lighting-up: London 20.41, Manchester 21.01, Glasgow 21.24, Belfast 21.23.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	F	27	81	Madrid	S	23	73
Amstrdm.	C	11	52	Manchstr.	C	11	52
Athens	S	25	77	Melbourne	S	12	54
Bahrain	S	34	93	Mexico C.	S	21	69
Beirut	S	26	79	Milan	S	20	68
Belfast	C	12	54	Montreal	C	15	59
Belgrade	S	15	59	Moscow	C	15	59
Berlin	C	15	59	Munich	C	11	52
Birmghm.	C	13	55	Newcastle	C	10	50
Bristol	C	14	57	New York	S	21	70
Brussels	F	11	52	Oslo	C	12	54
Budapest	C	16	61	Paris	F	16	61
B. Aires	S	13	55	Perth	S	19	66
Cairo	S	38	100	Prague	C	13	55
Cardiff	C	15	59	Reykjavik	S	5	41
Cologne	R	13	55	Rio de J'o	S	26	78
Copnhagn.	F	10	50	Rome	S	22	72
Dublin	C	13	55	Singapore	S	30	86
Edinb'rgh	F	11	52	Stockholm	R	10	50
Frankfurt	F	13	55	Strasbourg	F	15	59
Geneva	S	14	57	Sydney	S	21	70
Glasgow	F	13	55	Tehran	S	29	84
Helsinki	D	10	50	Tel Aviv	S	26	79
H. Kong	C	26	79	Tokyo	C	24	75
Jo'burg	S	20	68	Toronto	S	19	66
Lisbon	S	25	77	Vienna	S	17	63
London	C	15	59	Warsaw	F	17	63
Luxemb'g	F	13	55	Zurich	R	10	50

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	19	66	Jersey	C	15	59
Algiers	S	25	77	Las Plms.	S	21	70
Barcelona	S	19	66	Locarno	C	19	66
Biarritz	S	17	63	Majorca	S	23	73
Blackpool	C	13	55	Malaga	S	25	77
Bordeaux	C	17	63	Malta	S	20	68
Boulogne	S	12	54	Nairobi	S	21	69
Casablnca.	S	24	75	Naples	F	21	70
Cape Tn.	S	17	62	Nassau	R	27	81
Corfu	S	24	75	Nice	F	19	66
Dubrovnik	S	20	68	Oporto	S	19	66
Faro	S	24	75	Rhodes	S	24	75
Florence	C	21	70	Salzburg	F	12	54
Funchal	S	19	66	Tangier	S	[illegible]	61
Gibraltar	F	13	55	Tenerife	S	17	63
Guernsey	F	15	59	Tunis	F	13	55
Innsbruck	R	13	55	Valencia	S	22	72
Inverness	S	10	50	Venice	S	18	64
Istanbul	S	28	82				

S—Sunny. F—Fair. C—Cloudy. R—Rain. D—Drizzle.

Continued from Page 1

Call for high poll turnout

whom have played a very active part in the campaign—did not sign.

The statement said: "To-morrow's vote is your chance to get back for yourself and your children three rights. First, your right only to obey those laws you yourself have voted for, and pay only those taxes agreed by your elected MPs who you yourselves can dismiss.

"Second, your right to buy in the shops untaxed food from the cheapest markets in the world. Third, your right to a job in Britain, which can only come from the re-equipment of British industry and from trade with the nations of the world, where Britain's goods are needed.

"There is nothing wrong with Britain that the British people cannot put right."

In Bristol last night, Mr. Shore said to-day's vote would be the judgment of the British people not only on the Market but even more upon themselves. "If it is Yes, it will not be the assent of enthusiasm or conviction. It will be the reluctant Yes of a sullen and dispirited people, too frightened and confused to take their freedom by the hand.

"If it is No, as I pray it will be, it will sound like a trumpet throughout the land."

Claims and counter-claims about to-day's voting were made by both sides yesterday. Dr. Dickson Mabon, Labour MP for Greenock and Port Glasgow, said pro-Marketeers expected to win eight of the 12 regions in Scotland—Strathclyde, South West, Borders, Central, Fife, Highlands, Grampian and Orkney.

"The two dubious ones are Tayside and Lothian, and we have a damned good chance in Western Isles and Shetland."

He said there was evidence of a large number of Don't Knows in Scotland—between 20 and 30 per cent. The pros had seen a lot of boredom in the last few days, which meant the poll was not likely to be more than 50 per cent.

He would regret this very deeply.

But for the antis, Mr. Chris Jones, a regional organiser of the Get Britain Out campaign, said: "We are confident of winning Scotland, Wales and Northern Ireland by a large majority. In England we predict a victory for a No vote in Yorkshire, Lancashire, Tyneside, Teesside and the West Midlands.

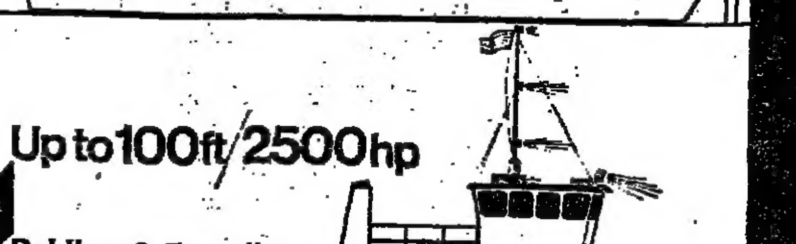
"The rest of England is a grey area which looks pretty evenly balanced."

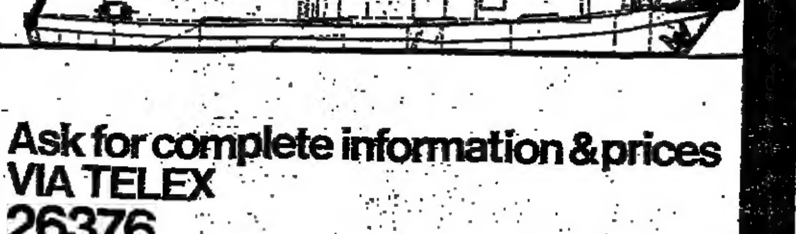
John Elliott writes: A major meeting of Labour Party leaders to try to rebuild party unity in the wake of to-day's referendum and to plan the implementation of policies up to the next General Election is planned to take place within the next four or six weeks.

It will take the form of a meeting between the Cabinet and the party's national executive and will be presided over by the Prime Minister, who has arranged the event with Mr. Ron Hayward, the party's general secretary.

Although there is a risk that such a meeting could provide a fresh opportunity for Left and Right wingers to renew the mutual attacks of the past few weeks, the Prime Minister and Mr. Hayward are hoping it will form a rallying point for party unity.

Left-wing party leaders, however, will be anxious to use the meeting to tie the Government's future actions firmly to the party's last election manifesto.





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